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POLITICS AND SOCIAL FORCES IN CHILEAN DEVELOPMENT

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James Petras

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TO BETTY, STEFAN
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PREFACE

This book is an attempt to analyze and interpret Chilean development by examining the interrelation between industrialization, modernization, social structure, and political organization. When this study began in 1963, its primary concern was the development of the working-class movement. Unlike other Latin countries, Chile has had large working-class-based Marxist parties. The research focused on analyzing the events and conditions that produced this "deviant" pattern. It soon became clear that working-class political behavior could best be understood by examining the working class's relationship to other classes, namely the peasantry, the landowners, and the middle class. Frequently, social conditions and social forces were the source of major political conflicts. However, these conflicts were mediated through changing political mechanisms that frequently shaped the form and even the content of social development. My research interests increasingly turned toward an investigation of the roles of political parties and elites, and the bureaucracy, in shaping Chilean development. In the end the study emerged in its present expanded form.

I would like to thank the Doherty Foundation for a research fellowship for field work in Chile. The Institute of International Studies, the Graduate School at the University of California (Berkeley), the Rabinowitz Foundation, and the Institute of Public Administration at Pennsylvania State University also provided the funds and secretarial assistance that enabled me to complete this study. Needless to say, I take full responsibility for the ideas expressed in this book.

I owe a great deal to my friend and teacher, Professor David Apter, for his encouragement and penetrating criticism throughout the whole undertaking. It is doubtful if I could have sustained the enterprise without his support. My old friend, Professor Zeitlin, provided much helpful criticism and permitted me to use material on the Chilean elites from his forthcoming study. Professor Dale Johnson was kind enough to make available his research on Chilean managers. Professors Donald Bray, Robert Smith, Marion Brown, Peter Roman, Ivan Vallier, Michael Rogin, Albert Fishlow, and Robert Hutchins also read the manuscript in whole or part and made helpful suggestions. Many people in Chile helped with information and criticism, much of it helpful in understanding Chilean politics. While it is impossible to enumerate all of them, those most helpful included Clodomiro Almeyda, Eduardo Hamuy, Hugo Zemelman, John Lehigh, and Ernesto Benado. My wife, Betty, helped make the manuscript more readable. Mrs. Kazuko Nishita and Mrs. Linda MacCarty typed several drafts of sometimes hardly legible copy. Mr. Grant Barnes of the University of California Press was of considerable assistance in providing editorial suggestions. I also owe a considerable debt to scholars from North and South America whose monographs and studies were of great assistance. This cooperation by intellectuals, free of the constraints of government-subsidized research, encourages me to think that there is a future in which critical intellectuals can play a part.

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INTRODUCTION

Chile has had many of the social and economic problems of other Latin-American countries: inflation, immense inequalities of wealth, the exclusion of large sectors of the populace from effective political participation, social rigidity, economic stagnation, and uneven growth. Yet Chile, unlike the rest of Latin America, has enjoyed political stability and elected governments.

The factor that explains the exceptional nature of Chilean political development in contrast to the rest of Latin America is the special role and function of the bureaucracy in maintaining the political system. In this book, I will attempt to demonstrate that the bureaucracy, as cause and consequence of a fusion of modern and traditional values in Chilean society, performs the dual function of representing new and traditional groups and serving as a broker for their conflicting demands. The result is that Chilean politics lack the extra-constitutional interference so often found in other Latin countries.

This book contrasts the integrated and relatively affluent middle strata of the urban centers of Chile with the emerging dynamic forces in the countryside. This larger theme is par-

ticularly clear in the relationship between the entrepreneurial and bureaucratic elites, which have benefited and participated in the dominant society, and the peasantry, which has largely been exploited and excluded from the polity.

In examining this conflict, the central questions concern the socioeconomic basis of the middle strata's conservative political orientation and the increasingly radical orientation of the rural and urban labor force. Why are the middle strata oriented toward "stability" and unconcerned with basic social change? What forces militate against other social groups (peasants, miners) to produce an emergent radical political culture? How has recent economic and social development affected the difference in political orientation between the middle strata and the peasantry? What has produced the dramatic upsurge of Christian Democracy? What are its political appeals?

I intend to examine the friction between the traditional coalition and bargaining methods of governing, and compare the old methods to the new mobilization style of politics rapidly taking hold in the polity. The effort by the Christian Democrats and the peasant unions to provide a new dynamism in the old society runs counter to the existing social and political institutions supported both by the Left and the Right. I will also examine the problems of conflict and consensus. The difference between the living conditions of the members of the bureaucracy and the entrepreneurs, who are "in" society, and that of the rural and urban labor force, which is "out," has led to a serious institutional crisis. Indicators of this sociopolitical crisis include the precipitous decline of the traditional right-wing political groups and the impressive growth of the Socialist, Communist, and Christian-Democratic parties.

The emergence of new political forces has coincided with increasing polarization in society. Both resulted from a series of abortive attempts by middle-class political coalitions and personalist political leaders to develop a dynamic industrial society. Chronic economic problems of slow growth and a rigid social system have been managed through a delicate

system of political transactions involving established parties and interest groups. This arrangement created the conditions for Chilean political stability. The long-range consequences, however, have been to delay the entry of the peasantry and urban lower class into the polity. The result is that the destabilizing potential of the peasantry has increased significantly at the same time as the middle strata's influence has grown. This growing polarization reflects systemic inadequacies. The first part of this book is devoted to a description of recent economic and social developments, focusing particularly on the problems of economic stagnation and social inequality in Chile and the rest of Latin America. This discussion of economic and social problems provides the necessary background to an analysis of the role of social actors and larger political forces.

In Chapter 1 I examine the similarities between Chile and the rest of Latin America in terms of general patterns of development and common socioeconomic problems. The establishment of general similarities allows us to focus on the special characteristics of the Chilean political system that have resulted in the political stability that is absent in the rest of Latin America.

In Chapter 2 I examine the industrial managers, who are a major social force that has affected and is being affected by economic crises and political developments. The following chapters cover the historical development of Chilean politics leading to the rise to power of the Christian Democrats. The Christian-Democratic movement exhibits a new style in politics. The growth of mobilization politics suggests a growing mood of discontent among the electorate, especially the newly aroused lower-income groups. The content of the Christian-Democratic party's official program and ideology reflects a recognition of the economic and social problems inherited from the past. The nature of its leadership and the leaders' policies reflects a continuity with the past. The synthesis of modern desires for development and a hierarchical social structure has produced a corporatist style of politics. The

Christian Democrats' attempts to increase welfare without replacing dominant groups reflect the ambiguity associated with corporate-populist politics. Political drama is found in the conflicts that unfold when this new elite, committed to altering the past and yet linked by experience to it, attempts to apply its programs for development and reform to an electorate that is disenchanted with past failures. A policy step in any direction (or none at all) may antagonize one or another of the groups that make up the multiclass coalition.

The following set of interrelated propositions underlie this study.

(1) Chile has had a "bargaining system." In the political sphere this has meant that: parliamentary activity has dominated political life; coalitions for immediate advantage by seemingly disparate groups have occurred frequently; conflicts have often been resolved through transactions and negotiations between elites; attempts to achieve change have been confined to elections, usually the only occasions when the mass is activated; and changes have been incremental. The society and economy under this system has been characterized by chronic economic stagnation, social rigidity and inequality, a tightly knit ruling elite, and the fusion of modern and traditional styles of life and values. The stability of the political sphere and the continuity of socioeconomic institutions derived from the existence of a limited number of mutually protected interest groups.

(2) Several factors have emerged that have facilitated the development of antagonistic relations within the social system. Sociopolitical polarization has resulted from the existence of a large, nonparticipant, unassimilated mass; the creation of cohesive centers of radical political opposition; the emergence of interest politics among what in the past has been a politically undifferentiated mass; the existence of communication channels between organized centers and the politically excluded mass; and competition among political innovators that gives rise to a greater commitment to mobilize the excluded populace.

(3) The sudden entry of a new mass constituency into political life, and the articulation of its demands by forces attempting to revitalize the economy and open the society, have led to a new style of politics, mobilization politics. The characteristics of mobilization politics include participation of the excluded strata, rapid multiplication of mass organizations, growth of nonelectoral political activity, an overriding drive toward economic development, and a tendency for the favored mode of ruling to be that of a strong executive.

(4) Mobilization politics manifests two alternative approaches to reorganizing society: the corporatist approach, whereby the government controls and directs lower-class associations and links them with existing economic elites in an attempt to encourage collaboration for national development; and the collectivist approach, whereby class-conscious political actors communicate a radical political culture among lower-class individuals in order to mobilize their support and to undermine existing elites as the first phase toward the creation of a collectivist society.

1
ECONOMIC DEVELOPMENT AND SOCIAL CHANGE

The following discussion of the problems of economic development and social change leans heavily on the work of the United Nations Economic Commission on Latin America (CEPAL). This chapter focuses on the manner in which Chilean economic development has been limited—occurring as it has, under the direction of a coalition of political groups that draw their power mainly from the middle strata. Subsequent chapters amend the CEPAL thesis by examining the relationships and attitudes of the middle strata in detail. The complex linkages observable between "traditional" and "modern" sectors, as well as the fusion of conservative and populist attitudes, suggest that the CEPAL analysis, which emphasizes clear-cut social differentiation and sees the State as a redistributor of income, is inadequate. Empirical study of the attitudes and structure of the Chilean bureaucracy indicates a tendency toward a corporate political structure. The data seem to show a considerable overlap of outlook among disparate social classes that contributes to stability and stagnation—not to populist revolution. I have accordingly attempted to synthesize a more complex model

than CEPAL's of the relationships between sociopolitical forces, economic development, and political stability.

CHILEAN DEVELOPMENT IN THE LATIN-AMERICAN CONTEXT

Though Chilean historical development shows a distinctive pattern, it also includes trends common to Latin-American countries in general. Exceptionally uneven development—of regions, industries, and the distribution of wealth—is one example of a common characteristic, despite obvious differences in level and degree of unevenness between various countries. All face the growth of political demands for consumer goods and welfare programs, demands that are reinforced by a multiplicity of factors (diffusion of values from industrial centers, intense urbanization, extensive bureaucratization, and so forth). None has established an economic system capable of meeting popular demands. Most Latin countries have experienced increasing fragmentation of old social strata, resulting in the proliferation of intermediate groups. These middle strata include a broad variety of occupations and skills. Though their members receive their primary source of income from salary, the life-style of a large minority resembles that of the traditional elites. These common trends make it useful to examine briefly the overall process of social differentiation before we attempt to analyze the specific characteristics of Chilean development.

LATIN AMERICAN DEVELOPMENT: A HISTORICAL SURVEY

Latin America has changed greatly during the last forty or fifty years, but still exhibits a basic continuity with the past. Political instability is chronic, but political "revolutions" do not usually result in basic economic or social changes.[1] This phenomenon can best be analyzed by identifying and relating

[1] Merle Kling, "Towards a Theory of Power and Political Instability in Latin America," in J. Kautsky, ed. *Political Change in Underdeveloped Countries* (New York: Wiley, 1962), pp. 123–139.

the forces that direct socioeconomic change within existing institutions. As for the *meaning* of socioeconomic change, I will attempt to analyze it in terms of the effect such change may have on present and future development possibilities, and on the classes that make up the social system.[2] This approach will hopefully avoid the impressionistic attitude that "nothing has changed" as well as the official attitude that change in Latin America is a gradual, cumulative process that is radiating benefits throughout society.

The process of Latin-American industrial development can be divided into two general periods: before and after 1930. The period before 1930 was the "pre-factory" era, during which domestic manufactured goods were largely the products of cottage industry, demand for manufactured goods was mostly satisfied by imports, and the few modern factories extant were foreign-owned industrial islands that had little dynamic influence on internal development. This pre-Depression period of economic development has been referred to in Latin-American economic studies as "outward-directed development" (*desarrollo hacia afuera*). Economic development associated with the expansion of the primary producing sectors was the dominant feature of the period.

During the period from 1930 to the present, the emphasis was on encouraging the substitution of domestic manufactured goods for foreign imports, which initiated or invigorated the industrialization process. Three distinct phases mark the industrialization process: the development of traditional industries, of basic industries, and of metal-transforming industries.

The development of traditional industries generated sizable nuclei of factory employees in place of the artisan preponderance of the pre-factory period. Domestic industries produced consumer goods such as food, shoes, and so forth; in general there was a substitution of domestic products for

[2] Osvaldo Sunkel, *Cambio Social y Frustración en Chile.* (Santiago, Chile: Instituto Latinoamericano de Planificación Económico y Social, United Nations, Apr. 13, 1965), p. 3.

foreign imports. The extent to which industrialization has developed through the substitution of domestically produced consumer goods for imports can be gauged by comparing imports to total production. In 1929, imports accounted for 20–29 percent of total production; in 1963, for about 10 percent.[3] Import substitution was one of the mainsprings of the industrialization process. The growth of the factory system is shown by the declining percentage of artisans composing the manufacturing labor force: 75 percent during the pre-factory period (1925), dropping to 60 percent in 1940 and to 48 percent in 1960.

The development of basic industries (the manufacture of simple equipment and capital goods) has occurred in only three Latin-American countries (Argentina, Brazil, and Mexico). Three other countries (Chile, Peru, and Colombia) have encountered difficulties in developing basic industries. Great inequalities of income and low mass purchasing-power are major obstacles to rapid and sustained development based on traditional consumer industries. The major difficulty in developing basic industries is the high capitalization required to develop productive units, in addition to the problem of competing with prices on the world market.[4]

The industrial-development effort in Latin America has been conditioned by two major historical events: the world crises of the 1930s and the growth of state interventionism as

[3] The import coefficient (ratio of imports to total domestic product) for Latin America in 1929 was 20–25%; in 1963, barely 10%. About 36% of the expansion of the industrial product (for Brazil, Argentina, Chile, Colombia, and Mexico) was directly related to import substitution incentive between 1929–1960. If the comparison were confined to Argentina, Chile, and Colombia, the increase attributable to substitution would exceed 50%. United Nations Economic and Social Council (UNESCO), Economic Commission for Latin America, Latin American Symposium on Industrial Development, *The Process of Industrial Development in Latin America*, I (ST/ECLA Conf. 23/L. 2, Dec. 15, 1965) (Santiago, Chile, Mar. 1966), p. 37.

[4] The fourth and latest stage in the industrialization process in Latin America—the promotion of new metal-transforming industries—has been approached only by Argentina, Brazil, and Mexico. In addition to facing other problems, this type of production is oriented toward the export of finished industrial products and thus must cope with competition in the international market with established industrial powers.

part of a conscious effort to industrialize. The Chilean experience illustrates the importance of these two developments.

The world depression dramatically exposed Chile's dependence on external sources even for its most basic needs. Chile's capacity to import fell from 100 in 1929 to 40 in 1931, making it necessary to either produce domestic substitutes or do without essential consumer goods. The response of the Chilean government was oriented toward the production of import substitutes in four industrial sectors—clothes and shoes, food, furniture, and metal products. Together, these products accounted for between 71 percent and 75 percent of the labor force of the manufacturing industry.

In the late 1930s, the government became a conscious agent of the industrialization process. The state moved beyond the protectionist policy and began to play an active role in establishing and financing several basic industries. The government Development Corporation (CORFO) invested government funds in productive units, sometimes in partnership with private investors, sometimes not. With the added external catalyst of World War II the growth-rate of manufacturing production achieved its highest average rate—11 percent per annum—between 1941 and 1946. In the first five years of the postwar period the gradual exhaustion of the opportunities for import substitution of consumer goods was paralleled by a decline in industrial development to 1.8 percent per year.[5] In the following period external pressures (the Korean War) sparked operation of the steel industry sponsored by earlier government investments and stimulated a minor development recovery (1949–1956 rate was 4.7 percent). The creation of a limited number of state-owned enterprises, and their gradual sale to private investors, has turned CORFO into a commercial-industrial loan and credit bank. In the latest pe-

[5] UNESCO, Economic and Social Council, Economic Commission for Latin America, Latin-American Symposium on Industrial Development, *El desarrollo industrial de Chile*, presented by the Chilean government (ST/ECLA/Conf. 23/L. 46, Feb. 1966) (Santiago, Chile: Mar. 1966).

period, 1957–1963, the industrial-growth rate has dipped to 2.8 percent.[6]

A 1965 UN study of the industrialization process in Latin America pointed to the existence of a crisis and the need for a new orientation. Many of its conclusions are specially applicable to the Chilean experience, and pose important questions on future policy-decisions. The study notes that:

Latin American industrialization is faced, or will be shortly, with a basic need for reorientation and reliance on stimuli other than those that have played the main part in this development. Moreover, despite the various very different levels and stages of industrial development that exist in the countries of the region, the need for reorientation seems to be arising at the same moment in most of them. The countries with the largest domestic market are generally those that have gone furthest with import substitution and where industrialization has reached the most advanced stage, and thus to make any further progress in existing conditions poses new problems, and could mean increasing sacrifices in terms of productivity and efficiency. In the countries with intermediate levels of population and income where the same limitations arise at less advanced stages of the process, the possibilities of import substitution have largely been exploited and at the same time there is a substantial degree of industrial diversification. The countries where the external sector is still relatively important and where consequently there would seem to be a broad field open for substitution activities are in fact those in which the size of the domestic market imposes the most severe limitations, even at the earliest stages of development through which they are now passing.[7]

THE PERFORMANCE OF INDUSTRY AND THE PROBLEM OF ECONOMIC STAGNATION

The stagnation of an economy is indicated by the following

[6] Merwin Bohan and Morton Pomeranz, *Investment in Chile*, U.S. Department of Commerce (Washington: Government Printing Office, 1960), p. 220. An inventory compiled by CORFO lists at least 19 industries in which it had stock it later sold to private investors. In addition, in eight other plants a substantial part of its stock was sold to private groups. After the steel industry, Huachipato, showed excellent returns, it was sold to private investors and eventually became property of Koppers Corporation, a US subsidiary of Anaconda copper.

[7] *Process of Industrial Development*, I, 91.

patterns of development: the declining ability of industry to absorb an increase in the economically active population (EAP), specially in terms of urban growth; the mushrooming of a low-productive service sector; low rates of overall per-capita economic growth; under-utilization of productive capacity in industry; a declining or low rate of per-capita food output; and decline in industrial exports while industrial imports increase.

A UN study on the industrialization process in Latin America suggests three criteria for evaluating the performance of the industrial sector: industry's ability to provide employment opportunities; its ability to lower barriers to the whole economy's growth resulting from the unfavorable evolution of the external sector; and the extent to which the external sector has been replaced as the mainspring of overall development.

Creation of New Employment Opportunities

Between 1925 and 1960, nonagricultural employment increased by 23.5 million persons, of which only 5.3 million were in industry and 18.2 million were employed in other urban activities. In Chile, as in several other Latin-American countries, the ratio of industrial to nonagricultural employment has fallen precipitously—from 48/52 in 1929 to 28/72 in 1960.[8]

In contrast to what took place in other Western countries and in the Soviet Union, urban growth in Latin America has not been accompanied by proportionally commensurate progress on the part of modern industry (see Table 1). The quality of urban growth and development (especially during the period 1945–1960) is quite different from that associated with the Western pattern.[9] In most of Latin America, emigration from agriculture has not waited on the consolidation of urban demand for labor but has been determined by more autono-

[8] *Ibid.*, pp. 61, 63.

[9] The fact that the urbanization has "outstripped" industrialization in the US presents a superficial similarity to Latin America. In reality, the US economy, because of its high per-capita productivity, can support, at this stage of its development, a high proportion of non-industrial middle-income employees. In Latin America, on the other hand, per-capita production has not kept up with the increase in the urban population.

mous factors (rural unemployment or underemployment, below-subsistence wages, mechanization of work, and so forth). A study of nine Latin-American countries showed that during the period 1940–1960 "the per capita industrial product in-

TABLE 1

RELATION BETWEEN INDUSTRIALIZATION AND URBANIZATION IN SELECTED COUNTRIES[a]
(percent)

Country	Census Year	Urbanization[b]	Industrialization[c]
Chile	1930	28	25[e]
	1950	40	50
Cuba	1919	23	20
	1943	31	18
Mexico	1910	11[d]	22
	1950	24[d]	17
Soviet Union	1928	12	8
	1955	32	31
Sweden	1910	16	27
	1950	30	41
United States	1910	31	31
	1950	42	37

[a] "The Demographic Situation in Latin America," *Economic Bulletin for Latin America* (Santiago, Chile: Oct. 1961), VI, 2, p. 34, table 17. As a measure of industrialization in the earlier period, the crude index shown here is inadequate. The article argues that this is so "because industrial employment itself has a greatly variable composition. . . . It would seem . . . that in the countries of limited industrial development there exists a proliferation of handicrafts and dwarf industries with minimal amounts of capital, labor employed per workshop, and incomes earned which nevertheless provide some employment for relatively large numbers of persons."

[b] Percentage of total population living in towns with 20,000 inhabitants or more.

[c] Percentage of total labor force engaged in mining and quarrying, manufacturing, construction, and public-utility services (electricity, gas, and water).

[d] Percentage of total population living in towns with 100,000 inhabitants or more.

[e] Data calculated from Alieto Aldo Guadagni, "La fuerza de trabajo en Chile, 1930–60" (Santiago, Chile: 1961), p. 51 (mimeographed). The somewhat higher percentage for Chile in this early period may be due to the relatively high proportion engaged in extractive industries (over 5 percent of the labor force).

creased at an annual cumulative rate of 3.8 percent, while the share of manufacturing employment in all urban employment declined from 32.5 to 26.8 percent."[10]

Urban industrial development in Chile conforms to the general pattern in Latin America.[11] There has been a steady movement from the countryside to the cities since the census of 1907. The acceleration of urbanization after 1940 and especially after 1950 can be seen in Table 2.

Accelerated urbanization coincided with the economic slowdown of the 1950s and thereafter. The movement to the cities appears to be due to "push" factors forcing people to leave the rural areas rather than "pull" factors such as attractive, remunerative urban employment. The movement to the cities did not coincide with economic growth but with the relative and absolute decline in the agricultural sector.

The percentage of the EAP (economically active popula-

[10] *Ibid.*, p. 74. The nine countries are Argentina, Brazil, Chile, Colombia, Ecuador, Honduras, Mexico, Uruguay, and Venezuela.

[11] Noting the different patterns of development in Europe and Latin America, Glaucio Soares stresses the impact of the diffusion of technology on the declining ability of industry to absorb labor. "The industrializing countries of today may not follow the same trend. Technological diffusion is now stronger than ever. Patents . . . industrial equipment and techniques are continuously borrowed and imported from more developed countries. In general, this means going straight into an expansion of the skilled workers' strata. But it also means less jobs available and a wider gap between the rural migrant and the requirements of industrial occupations. Unlike the close relation between the two factors in the advanced industrial countries, in Latin America, especially in the period 1945–60, industrialization was at most but one of the factors in the rapid development of the major metropolises. Urban growth, especially in the case of the large cities, came *prior* to industry so that the emergence of intermediate social sectors and the urban working classes dates from long before the creation of the modern structures of production. In some countries labor and social legislation preceded that of modern industry. The modern structures of production, where they exist, were not the mainsprings of the urbanization processes." Soares, "Economic Development and Political Radicalism" (unpublished Ph.D. dissertation, Department of Economics, Washington University, St. Louis, Missouri, 1965), p. 83.

A U.N. study points out that," . . . in seven Latin American countries industrial workers and employees in or about the year 1950 represented only one-third or one-fourth of the population living in towns of 20,000 inhabitants or more. In seven European countries . . . the corresponding proportion was as much as one-half of the population and in many cases nearly two-thirds." *Process of Industrial Development*, II, 59.

tion) engaged in manufacturing in relation to the total urban population during the past thirty years in Latin America remained more or less constant, varying from about 10 to about 11.5 percent. In Chile, the total number of persons employed in manufacturing increased about 115,800 between 1940-1960, an average of 5,790 persons per year. Nevertheless, the average annual growth over the period has varied greatly, from the early 1940–1952 period, with an average of 9,333 persons, to the 1952–1960 average of only 473 persons.[12] It is estimated that at present about 120,000 persons reach fifteen years of age annually. The point is clear: industry has not been able to absorb the increments to the economically active population, especially since 1952.

The result of industry's inability to employ rural migrants has been the growth of a tertiary sector, which contains a high percentage of the underemployed and of disguised unemployment. In Chile, between 1940–1954, while employment in industry increased from 13.2 to 16.7 percent of the EAP, personal services increased from 15.1 to 20.5 percent. Within the "service sector" as a whole, personal services have absorbed the largest proportion of the rural migrants, in the face of industry's very limited ability to do so (see Table 3). When

TABLE 2

PERCENTAGE OF POPULATION IN URBAN AND RURAL SECTORS

Year	Urban	Rural	Percent Increase of the Percentage of Urban Population
1885	41.7	58.3	
1907	43.2	56.8	1.5
1920	46.4	53.6	3.2
1930	49.4	50.6	3.0
1940	52.5	47.5	3.1
1950	58.7	41.3	6.2
1960	68.9	31.1	10.2

[a] Compiled from Guadagni, p. 29; Bohan and Pomeranz, p. 40; CORFO, *Geografía económica de Chile* (Santiago, Chile: 1965), p. 378.

[12] *Desarrollo industrial de Chile*, p. 13.

we analyze the components of the service sector, it is precisely the *personal* service group (whose per-capita income is decreasing) that shows the greatest increase relative to the rest of the services (see Tables 4 and 5).

The gap between strata within the service sector indicates that "sectoral" analysis is too gross. The service sector includes groups with highly disparate incomes and divergent trends.

TABLE 3

EMPLOYMENT AND INCOME IN VARIOUS ECONOMIC SECTORS IN CHILE

Sector	Employment		Salaries and Wages	
	1940	1954	1940	1954
Agriculture	44.6	33.0	16.8	10.2
Fisheries	0.1	0.2	0.1	0.1
Mining	6.2	4.2	13.5	7.5
Industry	13.2	16.7	16.1	21.9
Construction	3.4	5.0	3.3	4.0
Electricity, gas, water	0.5	0.4	1.1	1.2
Commerce	4.1	4.6	6.2	6.5
Transportation and communication	4.3	4.9	9.3	9.1
Government services	7.6	9.7	16.3	24.2
Personal services	15.1	20.5	14.5	12.5
Finance	0.9	0.8	2.8	2.8
TOTAL	100.0	100.0	100.0	100.0

TABLE 4

DISTRIBUTION OF LABOR FORCE IN SERVICES 1930–1960

Type of service	1930	1940	1950	1960
Basic (communication, transportation, gas, energy, water, etc.)	16.2	11.3	12.5	12.3
Commercial	25.7	22.4	24.1	22.0
Personal	25.2	27.1	29.0	36.3
Professional and social welfare	8.9	9.4	11.4	11.3
Public and administrative and insurance	9.3	10.8	11.0	10.0
Not specified	14.7	19.0	12.0	8.1

For example, the income gap between the commercial groups and the personal servants has widened considerably between 1940 and 1960. The businessmen and public administrators who belong primarily to the middle class achieved a 52 percent *increase* in per-capita income over the twenty-year period. The per-capita income of the personal services *declined* by nearly 14 percent. For the service sector as a whole, the "deceptive" average was an 11 percent increase. The income gap that separates the commercial groups from the other services appears to be growing, not shrinking, in the process of Chilean economic development.

In the agricultural sector, decline set in earlier and has been more precipitous, thus providing less employment opportunities and forcing the rural populace to migrate to the cities. A per-capita index of the volume of agricultural and livestock production in Chile shows a decline from the base year (1935–1939) figure of 100 to 93 in 1955–1956 and to 88 in 1956–1957.[13]

The CIDA report, probably the most thorough study of

TABLE 5

PER-CAPITA INCOME OF EAP IN DISTINCT TYPES OF SERVICES[a]
1940–1960 (in escudos)

Service Sector	1940	1952	1960
Basic services	1637	1589	1309
Electricity, gas, water, sanitation	1518	884	1150
Transport, warehouse, communication	1653	1742	1344
Commercial services	2326	3228	3538
Trade	2289	3186	3623
Bank, insurance, real estate	2677	3518	2950
Personal services, professional services, and social welfare	916	925	789
Public administrative services	1732	2863	2384
Per-capita income for service sector as a whole	1515	1890	1688

[a] *Alieto Aldo Guadagni*, p. 93.

[13] Bohan and Pomeranz, p. 53.

Chilean agriculture to date, stresses that the nature of land tenure is an important factor contributing to agricultural stagnation.[14] Until the middle 1960s, land tenure and social conditions remained stable: 1.5 percent of the landowners owned 70 percent of the usable land.[15] Of the 1.1 million hectares under irrigation, only 785,000 were under cultivation. 50 percent of all landholders owned less than 1 percent of the land. Chile, which could sustain a population of 25 million, must import agricultural products amounting to one-fifth of its over $500 million total. In recent years the drop in agricultural production, combined with Chile's increasing difficulty in importing foodstuffs due to balance-of-payments problems, has led to a decline in the availability of food products (see Table 6).

The possibilities for dynamic growth in the future are dim, given the limited internal market. Fifty percent of the people account for less than 10 percent of the consumption of manufactured goods and 9 percent of the services. The overwhelming proportion of purchases is confined to the middle and

TABLE 6

PER-CAPITA AVAILABILITY OF FOOD PRODUCTS IN CHILE
(Index)

Product	1959	1962
Fresh milk	37.6	36.1
Cheese (cow)	2.1	1.9
Fish (fresh)	6.1	5.5
Lettuce	2.2	1.8
Fresh tomatoes	24.5	20.5
Wheat	139.0	118.1
Crude flour	4.9	4.7
Corn	8.2	6.7
Rice	13.7	7.5

[14] Comité Interamericano de Desarrollo Agrícola (CIDA), *Chile: Tenencia de la tierra y desarrollo socio-económico del sector agrícola* (Santiago, Chile: Hispano-Suiza Ltda., 1966).

[15] Prior to the present administration, agrarian reforms, which were similar to the colonization schemes of Bernardo O'Higgins a century-and-a-half earlier, were no threat to the large landowners.

upper strata. This extremely delimited market provides little stimulus for dynamic industrial development. The absence of mass purchasing power is an outgrowth of a social system that combines rigid stratification with concentration of socio-economic power[16] (see Table 7).

The weakness of the Chilean industrialization effort is shown by its inability to substitute industrial exports for traditional primary-good exports. There was an absolute decline of exports of manufactured goods between 1950 and 1963. This is especially evident in the decline of exports of metal products. The decline in the value of exports and the augmented dependence on manufactured imports are indicators of the sluggish nature of Chilean industrial growth (see Tables 8 and 9).

In summary, both within the urban milieu and in the country as a whole, economic growth has taken place, but in a highly unbalanced manner. This suggests that overall policy has been directed toward limited gains in industry, frequently at the expense of other sectors. Policy shifts have been paralleled by decisions of economic elites to transfer their resources to the more promising areas of industry. Concentration of national resources and favorable political factors maximized industrial development and minimized the potential for other sectors.[17]

Industrial development, rather than opening up society for the mass of the populace by expanding opportunities for employment, has instead only expanded access to goods from a traditional elite to a much broader stratum, but still a minority, of the population. Industrial development has not created

[16] Jorge Ahumada pointed to three conditions necessary for the promotion of economic development: continuous expansion of effective demand; an expanding source of capital goods, and the creation of the machinery for diffusing innovations. Ahumada, "Economic Development and Problems of Social Change in Latin America," in Jose Echavarria Medina and Egbert de Vries, eds., *Social Aspects of Economic Development in Latin America* (Paris: UNESCO, 1963). See also Ahumada's study, *En vez de la miseria* (Santiago, Chile: Editorial del pacífico, 1958).

[17] For further discussion, see Markos Mamalakis and Clark Reynolds, *Essays on the Chilean Economy* (Homewood, Ill.: Irwin Press, 1965), especially chap. 3, "Agriculture: The Neglected Sector."

TABLE 7

LATIN AMERICA: A HYPOTHESIS FOR LEVEL AND COMPOSITION OF PRIVATE CONSUMPTION BY INCOME BRACKET, 1960[a]
(millions of dollars)

	Income Bracket			
	Lower	Middle	Upper	Total
Percentage corresponding to each bracket				
Of total population	50.0	45.0	5.0	100.0
Of total income	16.0	50.0	34.0	100.0
Of total consumption	19.0	52.0	29.0	100.0
Level and composition of consumption				
Total consumption	13,000	35,000	20,000	68,000
Consumption of foodstuffs	9,700	17,000	2,800	29,500
Nonprocessed				21,300
Processed				8,200
Manufactures other than food products	1,700	8,600	8,200	18,500
Textiles, footwear and clothing	700	3,400	2,000	6,100
Other current consumer manufactures[b]	1,000	4,200	3,350	8,550
Durable consumer manufactures	—	1,000	2,850	3,850
Services[c]	1,600	9,400	9,000	20,000
(Total manufactures)				(26,700)
(Food)				(8,200)
(Other than food)				(18,500)

[a] *Process of Industrial Development*, I, 207.

[b] Includes beverages and tobacco, chemical and pharmaceutical products, paper products and printed matter, and other manufactured goods.

[c] Including housing, domestic services, transport, and other services.

a new "mass society" so much as it has allowed the older elites to adapt to the demands of the urban middle class. Industry has developed within the bounds of a tightly stratified society; in developing, it has responded to the needs of that society and supplied the goods for a limited effective demand.

Factors Contributing to Stagnation

In Chile, as in most other Latin-American countries, fixed capital is concentrated in traditional industries (see Table 10).

TABLE 8

EXPORTS OF MANUFACTURED PRODUCTS
(millions of dollars)

Product	1950	1955	1960	1963
Food	3.6	3.1	3.4	13.9
Beverages and liquor	1.6	1.6	0.3	1.1
Textiles	1.2	0.4	0.2	—
Chemicals	2.3	2.5	4.7	5.1
Metals	32.2	25.2	18.4	6.0
Machinery and tools	0.5	1.6	0.4	0.6
Transport equipment	0.1	0.2	0.2	4.3
Miscellaneous	5.2	3.0	4.9	1.4
Totals	46.7	37.9	32.5	32.4

TABLE 9

IMPORTS OF MANUFACTURED PRODUCTS[a]
(millions of dollars)

Product	1950	1955	1960	1963
Food	23.4	45.3	30.0	49.3
Beverages and liquor	0.3	0.8	1.3	0.4
Processed tobacco	0.1	0.1	0.1	—
Textiles	14.5	10.9	22.7	17.1
Chemicals	34.9	65.4	60.2	96.7
Metals	36.8	21.6	31.7	31.5
Machinery and tools	49.6	58.9	104.2	152.7
Transport equipment	20.5	52.7	77.3	74.9
Miscellaneous products	15.8	20.9	38.4	54.3
Totals	185.9	276.6	365.4	476.9

[a] Superintendencia de Aduanas, Santiago, Chile.

In countries that have experienced or are experiencing more dynamic growth, such as Brazil, Argentina, or Mexico, a much greater share of investment is found in the machine-producing industries.

Chile has a higher proportion of traditional consumer industries (52 percent) than Argentina or Brazil (40 percent).

TABLE 10

FIXED CAPITAL OF MANUFACTURING INDUSTRY IN 1957[a]
(millions of 1957 escudos)

Industrial Groups	Factory	Artisan	Total
Traditional	204.7	31.6	236.3
Food	72.0	4.4	76.4
Beverages	8.0	0.2	8.2
Tobacco	1.7	—	1.7
Textiles	82.7	0.5	83.2
Garment and shoe	18.2	23.8	42.0
Wood and cork	11.8	1.9	13.7
Furniture and accessories	4.0	0.6	4.6
Leather and hides	6.3	0.2	6.5
Intermediate	179.1	1.7	180.8
Paper and cellulose	5.7	—	5.7
Rubber	5.3	—	5.3
Chemical products	35.4	—	35.4
Petroleum derivatives	11.0	0.1	11.1
Nonmetallic minerals	45.5	0.1	45.6
Basic metals	76.2	1.5	77.7
Mechanized	45.2	23.3	68.5
Metal products	—	—	—
Machinery	—	—	—
Electrical equipment	45.2	23.3	68.5
Transport material	—	—	—
Other	15.7	17.4	33.1
Graphic arts	9.1	0.3	9.4
Miscellaneous	6.6	17.1	23.7
TOTAL	444.7	74.0	518.7
Percentages	85.7	14.3	100.0

[a] CORFO (Chilean Development Corporation), *Industrial Survey* (Santiago, Chile: 1957).

Chile has a much lower proportion of dynamic durable-goods industries, 11 percent compared to 24 percent and 21 percent, respectively, for the other two countries. In the United States traditional industries account for only 30 percent of manufacturing. The growth rate of traditional industries in Chile (discounting for population increase) was .26 between 1953 and 1959, which may have hindered overall industrial growth.[18] Chile's overall industrial growth-rate is low, 1.13, considerably below the average of 1.89 established for twenty-seven underdeveloped countries. The predominance of traditional consumer industries oriented toward highly protected internal markets and geared to existing limited demand is an important factor contributing to the problem of economic stagnation. The existence, parallel to the factory system, of a large number of inefficient and unproductive artisan industries also contributes to stagnation. Though the contribution of these units to the overall output of manufacturing has been declining, they continue to employ close to half (48 percent) of the labor force active in manufacturing. In 1957 Chilean artisan occupations employed 49.8 percent of the EAP in manufacturing.[19]

The ratio of wages to value added in the traditional food, beverage, and textiles industries is much lower than in the modern metal-working industries, suggesting that economic rewards are higher for business executives and owners. For example, the ratio of wages to value added in the food industry is 0.19; in metal-transforming it is 0.36.[20] The predominance of traditional consumer industries has negative consequences from the "consumption" angle of economic development; expansion of the metal-transforming industries could mean higher purchasing power for the working class and a larger consumer market for durable goods.

Workers in the traditional Chilean industries earn substan-

18 Anibal Pinto, *Chile: una economia dificil* (Mexico City: Fondo de cultura económica, 1964), p. 33.

19 *Desarrollo industrial de Chile*, pp. 9, 17; *Process of Industrial Development*, I, 30.

20 *Ibid.*, p. 134.

tially less than workers in basic industries. Chemical and metal workers receive substantially higher wages than textile, shoe, and furniture workers. The expansion of the modern durable-goods industries tends to produce a more equal distribution of income between elite and workers. It also tends to increase the possibility for internal industrial development by increasing overall income and demand for goods. The present pattern of industrialization in most Latin-American countries appears to have maintained or strengthened inequalities between top and bottom while creating a stratum of workers with quite high incomes that is too small to constitute a mass market for new products.

A recent UN study on industrialization and income distribution concluded that "the share of wages and salaries in value added by industry is very low in comparison with their share in other economies, which means that industry is also helping to some extent to preserve the gradually regressive nature of income distribution in Latin America."[21]

Indicators such as utilization of capacity and allocation of funds indicate that the owners of productive units in Latin America are not adequately meeting the requirements for rapid industrial development. Working capital, including inventories, credit, demand deposits, and other values absorbed 55 percent of total funds in Colombia and Venezuela, and 70 percent in Argentina, Brazil, and Chile—against only 32 percent in France (1953) and 37 percent in the US (1960). As to investment in fixed capital, machinery and equipment made up 60 percent of that total in Latin America, compared to 70 percent in the Federal Republic of Germany.[22] The composition of industrial capital and the utilization of financial resources is unfavorable for the development of the manufacturing sector—a high proportion of funds is tied up in working capital, and the proportion of fixed capital in machinery is low.

Latin-American entrepreneurs have failed to make the most efficient use of existing productive resources. In Argentina the

[21] *Ibid.*, pp. 33, 134.
[22] *Ibid.*, p. 118.

coefficient of utilization of industrial capacity varied from 40 to 82 percent in the years 1961, 1963, and 1964. During the same years, for the food, manufacturing, and chemical industries in Colombia, the coefficient was under 40 percent; in Chile utilization was estimated to be 55.3 percent in major industries, 33 percent in medium-scale industries, and 50 percent in small industries. In Ecuador and Venezuela idle capacity was about 40 percent.[23] The concentration of economic power contributes to the maintenance of a rather narrow internal market, which in turn lowers the incentive for full plant utilization.

The slowdown in industrial growth and the less-than-adequate performance of the entrepreneurial groups is reflected in the gradual decline in overall growth rates in Latin America. The annual per-capita real-income cumulative growth rate of 1.9 percent during the period 1950–1955 dropped to 1.4 percent from 1955–1960, and has dropped even lower in recent years (0.6 percent for 1960–1963). Increasing stagnation seems to characterize Latin-American economic evolution in recent years. The gross-product growth rates fell from 5 percent in 1950–1955 to 3.6 percent for 1960–1963, while the rate of population increase grew slightly, from 2.8 to 2.9 percent.

Industry's growth rate and contribution to national income, however, has been somewhat higher than that of other economic sectors. Industry in Latin America, with 14 percent of the total active population, has generated over 23 percent of the Latin-American gross product, indicating its ability to better utilize the factors of production than other sectors. The UN has estimated that the per-capita industrial product for Latin America as a whole rose from about $80 in 1950 to slightly under $110 in 1960.[24] However, the average annual increase in per-capita industrial product for the urban population during the same period was only about 1.5 percent. In Latin America as a whole, industry's share of the GNP increased from 20.1 to 23.4 percent, while the share of the agri-

[23] *Ibid.*, pp. 119–121.
[24] *Ibid.*, pp. 77, 139.

cultural sector declined from 24.6 to 21 percent.[25] Relative to other economic sectors, the larger share contributed by industry indicates that in productive terms it is the most dynamic sector of the economy. In Chile, a more detailed breakdown reveals a similar trend: between 1940–1944 and 1960–1963 industry's contribution to the GNP increased from 20 to 23.6 percent, while agriculture's declined from 14.7 to 9.8 percent.[26]

The general economic picture does not appear much better. In Chile the growth rate of the GNP during 1950–1954 was 5.7 percent, dropping during 1955–1959 to 0.9 percent. Corrected for population growth it was —1.6 percent. There was a slight upturn in 1958–1961 to 2.9 percent, which, corrected for population growth, was 0.4 percent. A good part of this "recovery" was based on foreign financing. Chile's debt rose from $569 million in 1958 to $1,090 million in 1961. The short-term gain was based on mortgaging future resources, since at least the interest on the loans will have to be met.[27]

In summary, the problems facing Chile, and many parts of Latin America, are not those of a backward "feudal" agrarian country trying to create an industrial base. The problems of Chile are those of a medium-developed country that has not been able to attain industrial maturity. The ubiquitous social and economic problems of stalled development nourish the roots of the growing strength of the Left and the Christian Democrats and account for the declining fortunes of the traditional rightist parties.[28]

[25] For a more detailed breakdown, see Economic Commission on Latin America, United Nations, *Estudio Económico de America Latina, 1963* (E/CN. 12/696/Rev. 1, Nov.) (New York, 1964), p. 30.

[26] *Desarrollo industrial de Chile*, p. 10.

[27] Anibal Pinto, *op. cit.*, pp. 15–17.

[28] The immediate sources of growing popular discontent in Chile can be traced to a myriad of negative socio-economic factors generated by malfunctioning of the socio-economic system. The cost of living rose a total of 61% between January 1959 and September 1962; the escudo was devalued several times; trade balances were incurred in 1960 ($85 million) and 1961 ($100 million); Chile's foreign debt rose from $577 million to $907 million during 1961. Foreign-exchange reserves plummeted from $89.5 million in 1959 to $6.7 million in September 1962. Copper production still provides over 60% of the foreign exchange, and economic policy persisted in being dependent on this key export product.

INDUSTRIALIZATION AND DIFFERENTIAL SOCIOPOLITICAL CHANGE

Widespread and intense social change has taken place in Latin America, but its impact has been differentially felt.[29] One of the most significant changes in the social structure has been the growth of new social forces, especially new intermediary groups. These groups tend to aspire to high status; their members tend to be a new type of political actor—the "political entrepreneur."[30] Lacking direct economic resources in the form of property, yet possessing organizational skills, politically active members of the intermediary groups combine two roles: the traditional role of representatives of a constituency and its interests, and the role of promoters of state involvement in the economy. Frequently, political entrepreneurs utilize the resources of the state to promote private enterprise and private gain. One method is to convert public enterprise into private.

The bureaucratic middle strata perform several important functions in the early stages of state-promoted industrial development. Members of these strata provide political leadership and fill many organizational positions in the new system; they tend to open society to new development and create the preconditions for the emergence of new urban industrial elites while limiting the effects of social change to their own strata. They are thus politically innovative, but socially and economically conservative, in the broad sense of perpetuating substantial inequalities.

The emergence and expansion of the intermediary strata in the urban sector (which, let it be noted, are quite different from each other) grew out of the main economic, demographic, and political changes that took place in the first half of this century. Commonly referred to as the "middle class," these groups came to direct the political fortunes of most Latin

29 Osvaldo Sunkel, in "Cambio social y frustración en Chile" (p. 8), lists five general changes: growth of industry, urbanization, increased state participation in the economy, growth of the middle class, and greater popular participation in politics.

30 This concept, useful in describing the role of political leaders in the dependent countries, is borrowed from David Apter.

societies by the early 1940s. Their political and social development passed through several phases, paralleling the development of the economy. In the process, political orientations and strategies shifted accordingly.[31]

The middle strata can be considered as having developed politically in two phases, the upward-mobility phase and the stabilization phase.[32] In analyzing these phases, two general behavioral concepts are useful, "manifest reformism" and "latent self-improvement." The middle strata's political development began approximately in the mid-1930s. During this early period—the upward-mobility phase—the middle strata began their rise to power by seeking the support of the popular classes by supporting social-reform programs. Having achieved power, however, the middle strata limited their reforms to expanding and bettering the middle class. The extension of citizenship within urban areas, the creation of government loan and development agencies and units of production, the pressure for direct satisfaction of socioeconomic aspirations (the psychological mainspring of the middle classes' political mobilization)—all contributed to ensuring the middle class a better life.[33] A UN study noted that in these years of upward mobility, "systematic use was likewise made of certain traditional institutions just as other new ones were promoted with the aim of safeguarding and improving the status already acquired by the rising middle class." The groups between the popular classes and the traditional elites became the "eclectic" political force that accommodated the traditional elites and promoted an industrial-urban society. The political organizations and spokesmen of these intermediary groups played this role primarily through their control and manipulation of governmental machinery, distribution of "welfare," and promotion of industrial development based on import substitution.

[31] See John J. Johnson, *Political Change in Latin America* (Stanford, Calif: Stanford University Press, 1958).

[32] UNESCO, *Social Development of Latin America in the Post-War Period* (E/CN. 12/660, Apr. 15, 1964) (Mar del Plata, Argentina, May 1963), p. 103.

[33] *Ibid.*

The mobility phase of political development coincides generally with the period of rapid industrial growth based on import substitution. Social-mobility politics and industrial development did not necessitate a significant alteration of social power or redistribution of income. The rapid but short-lived expansion of industry promoted by the middle strata was accompanied by political changes and by several limited social and economic reforms.[34] Universal suffrage was introduced, though it did not lead to genuine political participation by the rural and urban lower class (the so-called marginal population). The encouragement of trade unionism had only relative success; skilled urban workers, amounting to less than 10 percent of the labor force, were incorporated into fragmented organizations that were subject to close governmental control. The various social-security programs were geared mainly to the needs of the dependent middle strata and organized urban workers. The lower strata benefited on a much smaller scale, if at all.

Public education was expanded, but mostly in urban areas. In Chile, a quarter of a century after the People's Front victory, 50 percent of working-class children still do not finish the third grade, over 85 percent drop out after six grades, and 27.5 percent finish only one year of school. This accounts for the 19 percent illiteracy rate (illiterates are disenfranchised) that Chile has maintained for many years.[35]

The educational system, far from democratizing society or equalizing opportunity, segregates and discriminates against the lower class and becomes an obstacle to change. This becomes even clearer at the higher educational levels, for less than 2 percent of university students come from working-class families. Private schools (most of which are subsidized by the state) are accessible exclusively to the upper-middle and upper classes.

Health conditions reflect similar inequities. Chile has one

[34] *Ibid.*, pp. 111–113.

[35] Eduardo Hamuy *et al.*, *Educación elemental, analfabetismo y desarrollo económico* (Santiago, Chile: Editorial universitaria, 1960), p. 10.

of the highest infant-mortality rates in the world. There are 125 deaths, due largely to malnutrition, out of every 1,000 children born each year. This rate results from the living conditions of lower-income groups, especially rural ones. Comparison between the municipalities of Santiago and of outlying areas reveals that predominantly middle-class areas have one-third to one-half the infant mortality rate of lower-income areas.

Income-redistribution policy also benefited the middle strata, which promoted it, more than any other class. As production stagnated, salaries and wages declined. Pinto, calculating the minimum wage in Santiago in 1950 pesos, finds a gradual decline of nearly 25 percent between 1954 and 1961.[36] He also estimates that 46 percent of employees in Santiago receive about the basic salary or less.

Comparing the basic salary to per-capita national income, Pinto points to the growing gap between the lower strata and the upper in the period 1950–1961 (see Table 11).

Changes in distribution of income by social classes during the same approximate period indicate that the lowest strata suffered the greatest relative loss and the middle class a lesser

TABLE 11

BASIC SALARY AND PER-CAPITA NATIONAL INCOME

	[1] Per-Capita National Income	[2] Basic Salary	$\frac{[2]}{[1]}$
1950	100.0	100.0	1.00
1951	101.1	100.5	.99
1952	110.8	107.4	.97
1953	114.6	105.9	.92
1954	123.6	104.2	.84
1955	120.0	93.7	.78
1956	116.4	82.8	.71
1957	121.1	83.7	.69
1958	119.3	79.8	.67
1959	116.4	78.7	.68
1960	116.9	81.1	.69
1961	118.7	81.5	.69

[36] Pinto, *op. cit.*, pp. 40–42.

loss, while the owners and proprietors improved their relative position. Most of the negative effects of economic slowdown have been sustained by the classes that can least afford it. The workers, who received 30 percent of the national income in 1953, received only 25.5 percent in 1959. The middle strata's share dropped from 26.4 to 25.2 percent, while the owners (and such high-salaried employees as executives) increased their cut from 43.6 to 49.3 percent.[37] During this same period the workers' absolute income declined 1.5 percent, the middle sectors' increased 1.6 percent; and the owners' increased 27.7 percent.

Latin American social development appears to be quite uneven; patterns of economic development and industrialization appear to accentuate the disparities in income rather than reduce them. Economic development, moreover, has had a differential impact on the social structure, tending to increase the gap between social classes.[38]

[37] H. Varela, *Estratificación social de la población trabajadora de Chile* (Santiago, Chile: Universadad de Chile, Escuela de Económica, 1958). Andre Gunder Frank, in his study *Capitalism and Underdevelopment in Chile and Brazil* (New York: Monthly Review Press, 1967) cites data from a Chilean study published in 1964 OCEPLAN that present a somewhat different distribution, probably because the high-salaried executives were included among urban employees.

Class	*Percent of Population*	*Percent of National Income*
Urban owners of capital	4.7	39.3
Urban employees	18.6	37.7
Urban workers	47.7	18.9
Rural workers	29.0	4.1

According to a study by Sternberg, during the 1950s the propertied sectors of the middle class received an increasing share of income while that of wage earners declined.

Distribution of Income Factor Shares			
Factor Payments	*1950*	*1945*	*1958*
Wages	19.0	16.9	14.4
Property Income (includes rent, interest, dividends, and profits)	53.9	57.3	58.9

See Marvin J. Sternberg, "Chilean Land Tenure and Land Reform" (Unpublished Ph.D. dissertation, Department of Economics, University of California, Berkeley, 1962), p. 53.

[38] Bert A. Hutchinson's study in Brazil indicates a similar pattern: "First,

Shortly after World War II, Latin-American middle-class political development shifted from political insurgency to a concern for stabilization. This change has four major aspects: the establishment of a clientele and "patronage" political system, the adoption of policies promoting upward mobility within the system, the utilization of state machinery mainly to secure already-established benefits rather than to explore new areas for development, and a tendency to seek political alliances with dominant economic and social elites. The beginning of the stabilization phase coincided with a shift in the social and political orientation of the newly integrated middle strata. Universal suffrage ceased to be a basic principle; military coups were supported when they were judged the only political alternative that would not endanger middle-class status and economic position. Demands for control over trade-union activity overshadowed concern for organizing the unorganized.[39] Middle-class politicians became spokesmen for an educational policy that gave protection to private education. Social welfare became an organizational weapon for undercutting demands for structural changes by representatives of the dispossessed. The initial drive for a more equitable distribution of power and wealth gradually lost momentum. The middle strata became much more interested in securing the relative advantages they had obtained than in striving for a new social order. The new middle class showed an increasing tendency to identify with the established social order and to grasp the opportunities it offered. Since the early fifties, the stability oriented political behavior pattern of the middle strata has coincided with the exhaustion of import substitution as the dynamic element in industrial growth.

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industrial development did not produce a dissolution of class barriers as had been anticipated. Second, the greater access to the educational system did not produce an increase in social mobility." Cited by F. Bonilla, "The Urban Worker," in John J. Johnson, ed., *Continuity and Change in Latin America* (Stanford, Calif.: Stanford University Press, 1964), p. 189.

[39] José Nun, "A Latin American Phenomenon: The Middle Class Military Coup" in *Trends in Social Science Research in Latin American Studies* (Berkeley, Calif.: Institute of International Studies, 1965), p. 56; UNESCO, Economic Commission for Latin America, *El empresario industrial en América Latina* (E/CN. 12/642, Mar. 1963) (Mar del Plata, Argentina, May 1963), p. 17.

Members of the new middle strata have been able to work their way into prominent positions of power, to introduce industrial development, and to expand government involvement in the economy. This indicates the flexibility of Latin America's traditional structure, its ability to absorb new elements and to prevent changes from becoming instruments for mass mobilization. While the literature on Latin America speaks of revolution and instability, the degree to which dominant elites, institutions, and hierarchies have maintained their position in society—even while sharing it with new groups—indicates that Latin America may be one of the most conservative regions in the world. Only rarely have old social elites been replaced by new ones.

The ascent of the middle strata in traditional society, one study notes, was accomplished through "the formation of a clientele system which was not always inimical to progress and allowed scope for more or less limited forms of reconstruction and creative capacity."[40] This "patronage" political system was based on kinship and familial ties. The same study notes that "existing family ties and political parties with a 'prebendary' (patronage) orientation were generally based on the perpetuation of primary or personal relationships which formed a complex network extending over the public and private sector alike and affording a flexible means of maintaining and improving the status of the middle class."[41] The adoption by a modern group of traditional political practices was the converse of traditional economic elites adapting to the needs of limited modernization and industrialization. Both processes, however, were dependent on a control system that excluded a substantial sector of the polity from meaningful economic rewards and effective sociopolitical integration. The excluded sectors of the middle class sporadically acted to extend economic and social opportunity to a limited constituency. The same study notes that "the self-promotional objectives of the nuclei interested in particular social reforms only temporarily appeared as 'ideals,' for as they were really

[40] *Social Development of Latin America in the Post-War Period*, pp. 102–103.
[41] *Ibid.*, p. 104.

instruments of upward mobility they were relinquished as soon as power had been achieved."[42] The Latin-American pattern of political development demonstrates the flexibility of the traditional structure, as shown by the assimilation of the middle class. It also demonstrates that the middle strata are more "accommodationists" than reformist in outlook.

This brief survey of economic and social development as it relates to change and continuity in Latin America shows that the strategy of "modernization from above" has tended to result in very uneven development that confines modernization to the big cosmopolitan cities and their environs, and to the middle strata and its clientele.[43]

Industrialization has been an important element in propelling social change, and in promoting economic development through successful efforts at import substitution. It has been less effective in replacing the external sector as the stimulant to a self-sustained growth.[44] Per-capita manufacturing output, though it has increased significantly, has done so at very modest rates in relation to the increase in urban population. Although there has been a steady increase in the number of persons employed in manufacturing, the percentage of the

[42] *Ibid.*, p. 105.

[43] Sunkel suggests that in Chile modernization and change has been accompanied by the extension of the traditional system of "clientele" political control to new activities and urban classes (p. 30). It would appear that clientele politics is not an attribute of traditional oligarchical societies but may serve equally well in buttressing the prerogatives of modern middle strata.

[44] Bonilla cites the lack of growth of large scale industry and the small size of the industrial classes as a key element in limiting change. "Since total employment in industrial enterprises of five or more workers hits a peak of 13 percent of the economically active in Argentina and Uruguay, and in other countries is generally 7 percent or less, and since most of these industrially employed are doubtless laborers and skilled workers, the percentage of middle and upper class employed in industry can only be minuscule. This helps explain why the industrial and urban revolution in Latin America remains a surface phenomenon, leaving the underlying structure of attitudes and values pretty well intact. Though the political challenge to traditionally dominant elites has been mounted in the cities and led by elements from the so-called urban middle sectors, neither the expansion of the cities nor the growth of the middle sectors necessarily implies value changes concomitant with social and political development. Conventional assumptions, assumptions about the social dynamism inevitably accompanying urban industrial growth, also bear reexamination with regard to Latin America." Bonilla, *op. cit.*, p. 189.

total active population absorbed by industry is rather modest, and industry's contribution to total urban employment has declined. Industrial development does not appear to have contributed much to improving income distribution or economic integration either within the various countries or at the regional level.

The same conditions that made industrial development possible created obstacles to further industrialization. While rapid urbanization created new or broader markets for manufactured goods, the expansion of typical urban services absorbed a high proportion of resources that could have been mobilized for capital formation.

Because the development process has not been effectively integrated, sharp imbalances have occurred between sectors. The rural sector has lagged far behind: hence the countryside's limited ability to purchase manufactured goods, agriculture's inadequate contribution to domestic capital formation, heavy balance-of-payment pressures resulting from necessary imports of primary commodities, the limited growth of agricultural exports, and other drawbacks.

The slow development of the external sector during the past half-century, while it has promoted and emphasized the need for industrialization, has hampered the industrialization process by limiting the region's capacity to import the machinery, equipment, raw materials, and intermediate products required for industrial development.

The Latin countries that have moved farthest along the road to modernization are experiencing the greatest difficulty in further industrialization. The same Latin countries whose growth-rates have declined in recent years also possess the biggest middle classes, with the longest and most continuous participation in political and economic affairs. Germani, discussing the negative role of the Latin middle strata in economic development, argues that the "demonstration effect" and the fusion of ideologies of elites in advanced and underdeveloped countries will have a slowdown effect on development. He points out that the expansion of public and private

bureaucracy in Latin America is often not correlated with technological and economic change, and may serve to check development; and that the quality of the middle class is more important than its size. He emphasizes the importance of "negative" selection (appointments made for political reasons instead of by the criteria of efficiency and needs) as adversely affecting the public services.[45] Germani's hypotheses suggest that the organization of the public sector and the attitudes of the middle strata are keys to understanding obstacles to economic development. I will attempt to follow this line of research by examining the attitudes and structure of the bureaucracy and the industrial managers in Chile.

The theory of the middle strata that I propose emphasizes the integration of the bureaucracy and entrepreneurs in the social, economic, and political system. Sharing power, and in many cases interests and values, with traditional elites, they have largely ceased to be a dynamic innovative force in society. Lacking social homogeneity and coherence, and a commitment to make sacrifices, the middle strata have been unable to mobilize society for rapid industrial development. Their integration and participation in existing society, as well as the interests, benefits, and values that are derived from identifying with existing institutions and practices, are major determinants of the negative role of the Chilean middle strata.

[45] Gino Germani, "The Strategy of Fostering Social Mobility," in *Social Aspects of Economic Development in Latin America*, pp. 211–230.

2
INDUSTRIAL MANAGERS AND INDUSTRIALIZATION

The argument that economic development is a prerequisite of political democracy is a familiar one, but few of its proponents have attempted to empirically examine the interrelation of the two phenomena during the process of development. In this study I shall attempt to assess the role of the Chilean middle strata in formulating a developmental strategy, and the extent to which they have been able to promote democracy while carrying that strategy out. I have attacked the problem by examining the political leadership and social roles of a variety of political groups (the Popular Front, the right wing, the FRAP, and the PDC) and social forces (the middle strata, the urban working class, and the peasantry). This chapter examines the economic, social, and political orientation of the industrial managers, and its effect on the developmental process.[1]

[1] In relating the values of Chilean industrial managers to economic development, I am following the general approach suggested by Alexander Gerschenkron regarding the different circumstances surrounding development by "late" backward and developed societies: "Precisely because in historical reality we are confronted with important cases where entrepreneurs did not appear as disciplined actors performing their preassigned roles in well-

My hypothesis is that there is a close relationship between structural integration and sociopolitical values on the one hand, and behavior oriented toward stabilizing the existing social system on the other. To the extent that the managers are an integral part of the system, they are oriented toward conserving existing relationships and seeking the support of forces that share this outlook.

RELIGION AND NATIONALITY

While marginal groups such as foreign immigrants are disproportionately represented among entrepreneurs, it is the older Chilean Catholic families who tend to dominate the larger enterprise and make up the industrial elite. The ma-

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structured sociological plays, but entered the historical stage in response to the challenge of great changes in the economic and social environment, it becomes imperative in dealing with the problem of entrepreneurial values to examine their relationship to the environment in the broadest sense of the term." Gerschenkron, *Economic Backwardness in Historical Perspective* (Cambridge, Mass.: Harvard University Press, 1962), p. 69. See also Reinhard Bendix, *Nation Building and Citizenship* (New York: Wiley, 1964), p. 213. Bendix notes: ". . . countries which come late to the process of development possess social structures which must be understood in their own terms rather than merely as transitional stages to the type of industrialized society exemplified by the English or better still the American case." There are two questions concerning the meaning of attitudinal response that should be mentioned.

A good part of the data obtained are in the form of responses to questions concerning attitudes. The assumption underlying the use of attitudinal findings to describe behavior is that attitudes are related to activity. Hence one can discuss economic activity as it affects development through attitudinal study. Other approaches, such as in-depth case studies of the operation of specific firms through the observation of the actual behavior of managers, would be useful in supplementing or modifying the data presented here. Moreover, the attitudinal findings in this section fit in with the historical descripton of the industrial sector.

A second problem that arises concerns the interpretation of findings on numerous issues in which majorities or pluralities expressed attitudes not conducive to fulfilling developmental tasks. The problem is whether the actual number of a group is important or whether the existence of special minorities is sufficient to perform the needed task. While it may perhaps be possible for a determined minority of managers to carry out the developmental program, so far, in Chile at least, it hasn't happened. The weakness of the Chilean industrialization effort insofar as it is affected by the performance of the industrial managers can be partially explained by the predominance of nondevelopment-oriented sectors of the managerial group.

See the Appendix I for a discussion on data collection.

jority of managers (63 percent) are Catholics; 58 percent of the managers of small and medium firms are Catholics, compared to 79 percent of the managers of large firms.[2]

The largest group of managers of foreign extraction are Western Europeans other than Spaniards or Jews (37.5 percent), followed by Spaniards (19 percent), Jews (12.5 percent), and Arabs (5 percent). Among the largest firms, the largest proportion of managers are third-or-more-generation Chileans (41.2 percent).

In terms of nationality, the managers or entrepreneurs, especially among the elite, are generally third-generation Chileans, although quite a few are of relatively recent Western-European origin.

SOCIAL ORIGINS, EDUCATION, AND CAREER PATTERNS

Chilean managers are not generally Horatio Algers. Most were born in a relatively privileged setting, received a better-than-average education, and began their careers at a relatively high position. By social origins and experience managers have little contact with the lower classes, and are not likely to develop any close identification with their problems. Because of family links with the landowning elite, the industrialists are likely to

TABLE 12

NATIONALITY OF ENTREPRENEURS
(percent)

Nationality	Small	Medium	Large	All
Chilean, third generation	7.7	18.6	41.2	22.0
Spanish	46.2	14.0	11.8	19.0
Arabic	7.7	2.3	11.8	5.0
Jewish	7.7	18.6		12.5
Western European	30.8	39.5	35.3	37.5
Eastern European		4.7		2.5

2 Managers were categorized as "small," "medium," or "large" according to the number of workers employed by the firm they directed. A small firm employed 20–99 workers, a medium firm 100–499 workers, and a large firm 500 or more workers.

hold conservative opinions rather than be interested in changing society.[3]

Twenty-two percent of industrial managers had grandfathers who were landowners, and 27 percent had grandfathers who were either industrialists, bankers, mineowners, or men of commerce. Only 5 percent had grandfathers from the popular classes (workers, peasants, or tradesmen). The parents of the present generation's top industrial managers were almost all members of the urban bourgeoisie: close to three-fifths (58.9 percent) of the fathers were industrialists or commercial, banking, or mining entrepreneurs. Less than 5 percent were primarily landowners, and about 1 percent came from the popular classes. The industrial managers are increasingly being recruited from the same social base, suggesting perhaps that there is less mobility and more social rigidity. On the question of intergenerational mobility the response yielded the results shown in Table 13.

One significant variation within the entrepreneurial groups, however, is the upward mobility of the managers of the largest firms. Almost one-quarter of their fathers were professionals, technicians, or employees, double the proportion of a generation earlier. Industrial managers continue to be recruited from a limited circle, but the largest firms increasingly recruit outside of industrialist family circles.

There are sharp differences in the managers' educational

TABLE 13

INTERGENERATIONAL MOBILITY

Degree of Mobility	Size of Firm		
	Small	Medium	Large
None to low	58	80	62
Moderate	17	12	18
High	0	5	12

[3] Lauterbach notes that "most enterprises had their roots in agriculture holdings which under a suitable stimulus or market threat were expanded into processing, commerce, banking, and eventually non-related industrial activities." Albert Lauterbach, "Government and Development: Managerial Attitudes in Latin America," *Journal of Inter-American Studies*, II (Oct. 1963), p. 205.

backgrounds. Over four-fifths of the managers of small firms had no university education, and almost a quarter did not finish high school. On the other hand, close to two-thirds of large- and medium-firm managers attended a university. Family connections were a necessary but not sufficient condition for access to the higher posts in industry. The overwhelming majority of managers who did receive a university education studied either economics or engineering (67.5 percent); among the larger firms, 90 percent of the managers with a university education had been in one field or the other.

The occupational jumping-off spot to a position of industrial leadership varies considerably within the industrial managerial group. Large and medium firms tend to recruit managers from their own executives (53 percent), and, secondarily, from the executives of other firms. This period of executive apprenticeship is also attested to by the almost total absence of leading managers recruited straight from college. However, there is great diversity within the managerial group. A considerable number of the managers from large and medium firms started as employees or technical advisors and worked their way up, while among the small firms, about two-thirds started out as executives. This is consistent with other findings showing that the larger firms have a wider social base for recruiting than the smaller firms, which tend to be almost completely closed family-controlled operations.[4]

This point is further illustrated if we examine the routes different managers took to arrive at their present positions (see Table 14). The managers of small firms hold their positions through family inheritance or ownership, while most top managers in the larger firms rose either through the ranks or through professional competence. The larger firms, then, provide an avenue of mobility for the university-educated sons of the nonpropertied middle class. What mobility does exist, of course, is confined to the middle strata.

[4] Lauterbach's observation (*ibid.*, p. 202) that "managers are frequently selected on the basis of family links rather than specialized training" appears to be more justified among the smaller firms than the largest ones, at least in Chile.

Sunkel accurately describes both the conservative function and limited nature of social mobility in Chilean society:

> The traditional structure of Chilean society has been flexible and has permitted a certain degree of social mobility between the lower middle class and the middle class and between the latter and the traditional governing elite. This limited and partial social mobility has contributed to strengthening the traditional social structure, not only by means of the incorporation of new talent and riches to the leading strata but above all because it created the illusion that one lives in an open society. . . . On the other hand the socially mobile have not changed the traditional system since the condition of access to the superior strata is precisely the acceptance of the prevailing system.[5]

INDUSTRIALIZATION AND THE DEVELOPMENT OF NEW INDUSTRY

The dynamic of the Chilean industrialization drive lasted twenty years. This was sufficient time to establish an industrial complex capable of absorbing the limited internal market, creating enormous protective barriers, and preventing the entry of new competition through the establishment of monopolistic and oligopolistic industries. The possibilities for "easy" industrial development through import substitution encouraged by the Great Depression and World War II came

TABLE 14

MANAGERS' ROUTES TO PRESENT POSITIONS
(percent)

Route	Size of Firm			Distribution Among all Managers
	Small	Medium	Large	
Representing family	30.8	9.3	11.8	13.7
Owner or stockholder	61.5	39.5	17.6	38.4
Prof. administrator contracted by firm	—	23.3	23.5	19.2
Rising through ranks	—	23.3	41.2	23.3
Other or no response	7.7	4.6	5.9	5.4
TOTAL	100.00	100.0	100.0	100.0

[5] Sunkel, *op. cit.*, p. 26.

quickly to an end.[6] Since the early 1950s, few new industrial firms have appeared. Most Chilean industrial firms operating in the mid-1960s started relatively early. However, their growth and status probably result from the national industrialization effort after 1930. A disproportionate number of the largest plants are old firms, while most medium and small firms were founded in the period between 1930 and 1950 (see Table 15). Large industrial firms tend to be organized along corporate lines, while medium-sized and small firms tend to be family-owned or based on partnerships.

The growth of governmental activity during the earlier period generally promoted new productive units; it has since become a means of creating a considerable number of job opportunities for the middle class. David Felix writes:

> Capital expenditures as a percentage of the central budget fell from 21 percent in 1940 to an average of around 17 percent in 1953–57, while salary payments rose from 33 percent to 40 percent between the two periods. As the expansion of private employment slowed with the slackening growth of the economy, the white collar and professional classes used their political influence to expand government employment rolls, the largest increase in the salary share of the government budget paralleling the drop in public capital expenditures in 1952–55.[7]

TABLE 15

DATE OF FOUNDING OF FIRM
(percents)

	Small	Medium	Large
Prior to 1930	27.3	28.0	41.0
1931–1950	54.0	60.0	35.0
1950 and after	8.0	7.0	6.0

[6] In a persuasive manner, Andre Gunder Frank argues that the spurts of development in Latin America—Chile in the 17th century and during the 1930's—are the result of temporary isolation from the metropolis, not from contact or close relationships. He points out that the return of stagnation or underdevelopment coincides with the reestablishment of interdependence. Frank, *op. cit.*

[7] David Felix, "Chile," in Adamantios Pepelasis *et al.*, eds., *Economic Development* (New York: Harper, 1961), p. 317. As I shall show later, certain strata within the white-collar groups benefited considerably while others suffered or stayed at the same level. Thus it is not accurate to see the white-collar group as a homogeneous group receiving uniform improvements.

Thus, despite the fact that government spending on "economic development" increased from 18 percent to 25 percent from 1940 to 1954, and increased from 28 percent to 37 percent on education, health, and other social services, the overall impact has been slight and very unequally distributed. Government investment has mainly taken up the slack left by faltering private investment (see Table 16).

THE STRUCTURE AND OWNERSHIP OF PROPERTY IN INDUSTRY

Industrial plants exhibiting both modern and traditional forms of property ownership are seen in Chile. Corporate ownership prevails in the medium and especially in the large enterprises; noncorporate forms are concentrated almost entirely among the small firms.

Ownership is highly concentrated even among the largest corporations.[8] Seventy percent of the largest firms either are family owned or ownership is confined to a small group. Industrial ownership patterns vary with the sizes of firms. Family ownership predominates among the small firms, but drops off considerably among the middle and even more so among the large firms. More diversified ownership exists among the largest firms and to a lesser degree among the medium-sized firms, while among the smaller firms it is almost nonexistent. This ownership pattern appears unconducive to a broad distribution of the benefits of industrial growth, and may create serious price inflexibility for users of industrial goods because of the narrow basis of control.

Given their preponderant position, it is highly unlikely that the members of the economic elite would seek to break down the barriers to economic development. It does not seem

[8] This pattern appears to be common for all of Latin America. Lauterbach, who interviewed 324 managers from companies of more than 100 employees, noted: "The form of a sociedad anónima . . . is frequently chosen but the actual ownership of the shares typically still remains in the hands of a small or large family group, perhaps with the participation of some close friends of the family." *Op. cit.*, p. 203.

TABLE 16

GROSS FIXED INVESTMENT[a] AND ANNUAL RATE OF GROWTH OF INVESTMENT[b] IN PUBLIC AND PRIVATE SECTORS OF CHILE[c]

Sector	1961		1962		1963		1964	
	Total Fixed Investment	Rate of Growth	Total Fixed Investment	Rate of Growth	Total Fixed Investment	Rate of Growth	Total Fixed Investment	Rate of Growth
Public	306.8	17.5	360.5	8.0	389.5	4.3	406.4	28.2
Private	357.2	–7.8	329.5	–4.6	314.5	–7.7	290.3	–4.9

[a] In millions of 1960 escudos.

[b] In percent.

[c] *Source*: Comisión Económico para América Latina, *Estudio económico de América Latina 1965: La situación económica reciente en algunos países*, E/CN. 12/752/Addl (May 18, 1966), p. 186.

probable that they would jeopardize their present position by seeking new entrepreneurial groups to compete with them.

NATIONAL AND FOREIGN OWNERSHIP OF INDUSTRIAL PLANTS

Industry, especially small and medium-size, is largely owned by Chilean nationals. Chile possesses a considerable industrial bourgeoisie, which on the level of the largest firms is linked with foreign capital. By and large, however, foreigners have not invested in Chilean industrial development on any large scale. Industrial conflicts involving workers tend to involve national actors to a considerable degree. The national manufacturing bourgeoisie has an important economic position in society and is an integral part of the economic system.

Although it is beyond the scope of this study to discuss the impact of intersystem variables (such as US investment) on Chilean economic development, a few comments are in order.[9] In 1958, US investments in Chile were valued at $736 million.

TABLE 17

OWNERSHIP OF FIRMS
(percent)

	Small	Medium	Large
Family firm	77	53	29
2–3 partners	15	5	6
Few partners and stockholders	8	26	35
Many partners and stockholders	—	5	24

[9] Cardoso suggests using an international framework as the most fruitful in approaching the problems of Latin America. He substitutes the concepts of autonomous/non-autonomous in place of developed/underdeveloped in order to examine the relationship that each country has to the world market and world system of power. Fernando H. Cardoso *El proceso de desarrollo en América Latina* (Santiago: Instituto Latinoamericano de Planificación Económico y Social, United Nations, 1965). See also Robert Edminster, "Mexico," in *Economic Development*, pp. 326–365; H. W. Singer, "The Distribution of Gains between Investing and Borrowing Countries," American Economic Association, *Papers and Proceedings*, May, 1950; and Paul Baran, *The Political Economy of Growth* (New York: Monthly Review Press, 1957) for a discussion of some of the disadvantages of foreign investment. Also see Merle Kling, "Taxes on the 'External' Sector: An Index of Political Behavior in Latin America," *Midwest Journal of Political Science*, III, No. 2 (May 1959), 127–150.

Except for $64 million invested in manufacturing, distribution, finance, and other areas, this sum is almost entirely invested in mining and utilities. In the period from 1955 to 1958, US companies invested $77 million in mining and $1 million in manufacturing. A 1960 study by the US Department of Commerce noted: "There is no immediate likelihood that the pattern of US investment during the next 5 years will change."[10] The tendency is for American corporations to ship the raw materials and their profits back to the United States, thus depriving the Chilean economy of scarce funds for investment in manufacturing and of raw material that could be processed in Chile. In a well-documented dissertation Clark Reynolds noted: "The most significant characteristic of the export industry is that the bulk of its product is marketed outside the economy." He went on to point out that "There is little direct reinvestment of copper earnings by the three companies in domestic industries other than copper." Reynolds views the high-profit market in the copper industry, along with the nature of ownership, as contributing to the drain on the Chilean economy. The export of most of the earnings is:

> a result of the dualistic nature of the capital structure of the economy in which yields of the export industry are substantially greater than those [of] other industries in the domestic economy. It is also a function of the nature of foreign ownership which invests in the export industry for reasons not only of differential yields, but also of vertical integration abroad. In this case possibilities of expansion into other profitable ventures abroad are attractive only if they can be regarded as furthering the development of the export industry itself.[11]

[10] Bohan and Pomeranz, p. 8.

[11] Clark Reynolds, "Development Problems of an Export Economy. The Historical and Developmental Relationship of the Copper Industry to the Economy of Chile" (unpublished Ph.D. dissertation, Department of Economics, University of California, Berkeley, Calif., 1962), pp. 8, 89. For a detailed examination of empirical indicators (employment, expansion of secondary industries, production, prices, and internal purchases) of the negative impact of the US-controlled copper-mining industry (96% of copper production is controlled by three US corporations) on economic development, see Mario Vera Valenzuela, *La política económica del cobre en Chile* (Santiago: Universidad de Chile, 1961).

About one-third of the medium and large Chilean firms produce on the basis of foreign patents.[12] The larger firms apparently exhibit the closest links and greatest dependence on foreign sources.[13] Given this dependence and linkage, one would hardly expect to find a strong "nationalist outlook" among the large industrialists. If he exists at all, the nationalist-oriented industrialist is most likely to be found among the smaller firms. One basis for political collaboration

TABLE 18

STOCKS IN FOREIGN HANDS
(percent)

Proportion of stock owned	Small Firms	Medium Firms	Large Firms
Small (less than 20%)	93	81	44
Moderate (20–40%)	0	9	18
Substantial (40% or over)	0	5	23

TABLE 19

PRODUCTION OF ARTICLES WITH FOREIGN PATENTS
(percent)

	Small Firms	Medium Firms	Large Firms
Items produced with foreign patents	8	35	29
Items not produced with foreign patents	92	65	71

[12] Bohan and Pomeranz (p. 14) stress the importance of the area of licensing of patents in their study: ". . . American manufacturers . . . have entered into a large number of licensing in royalty agreements with Chilean industrialists, including in some instances, minority financial participation in local enterprise. Among such arrangements may be cited those covering refractories, glass products, electric motors, condensers, boilers, welding rods, refrigerators, electrical household and industrial appliances, air conditioning equipment, mining machinery, radios, pharmaceuticals, toilet articles, locks, paints, stoves, pumps, and a wide variety of industrial processes." The authors go on to point out that: "Efforts to obtain an idea of the financial importance of such arrangements failed to develop much data, official estimates of remittances being clear understatements of the true volume."

[13] Frank argues that the resource-bases through which capitalistic centers exercise hegemony over Latin America have changed. For example, in the mercantilist era metropolitan hegemony was exercised through commercial monopoly; in the liberal era through control of industry; in the period between 1900–1950 through control over capital-goods industries; and in the present period through technology. Frank, *op. cit.*

between American and Chilean investors can be found among the large industrial firms.

LINKS AND DEPENDENCE ON THE STATE

The growth of industry through conscious government policy implies that politics was a key factor in the industrialization process. In many cases the politician preceded the entrepreneur and in an important sense made it possible for him to succeed. The importance of politics to economic development has been noted in a study of Latin-American middle-class attitudes:

> The feature peculiar to Latin America is that the image of the State as the supreme dispenser of opportunities was mainly based on the "interventionist" action of Governments in which the middle classes participated. The direct or indirect dependence on State action of the most diverse sectors of economic activity was no transient feature of development in Latin America and both the dependent and the independent middle classes endeavored to found their social and economic possibilities, in large measure, on the diverse policies promoted by the state. Modernization processes, the establishment of new institutions, the creation of new units of production, the improvement of general living conditions, the expansion of the market and of economic opportunities all commonly originated in moves of a political nature.[14]

Extensive state involvement in the economy occurred at the very beginning of industrialization in Latin America, a pattern common to other late-developing nations. In the West, state interventionism emerged as an attempt to control and influence the behavior of highly developed industrial units; in Latin America, however, the state induces and organizes industrialization. Latin America differs from North America in that the development of a nonpropertied, urban, middle class (whose position in society and channels for social mobility were largely due to an advanced educational system and the expansion of government employment) preceded intense industrial development. In Latin America the state is the main agency for a nonpropertied stratum to direct economic de-

[14] *Social Development of Latin America in the Post-War Period*, p. 106.

velopment. The middle strata thus emphasize state activity, in contrast to the laissez-faire Northern and European bourgeoisie. The Latin-American middle strata's dependence on the state to promote economic development accounts for the close relationship between economic and political units in Latin-American countries, and finds expression in repeated attempts to establish a paternal and corporate style of politics.

Industrial entrepreneurs existed prior to 1930 in Chile, and many members of this group eventually became the owners of large enterprises. The politician was important to them as a promoter of industrialization. Industrialists who got their start before 1930 were major beneficiaries of government-supported economic development, and their political cohorts played a double role in the economic-development process, both promoting industrialization by supporting existing capitalist enterprise and creating new firms where private enterprise was absent.

However, talk of state socialism in Chile is exaggerated: despite heavy state interventionism, almost all Chilean industrial firms are privately owned. The state owns stock in only 6 percent of the large firms and 2 percent of the medium firms; it owns no stock in small firms. On the other hand, the state has played an important role in establishing industries. Thirty-five percent of the large firms and 14 percent of the medium firms were established with state aid as a major factor. But once the profit margins were established and the risks eliminated, these firms were generally turned over to the private sector. In other words, state interventionism has resulted in the creation or protection of a national industrial bourgeoisie—"socialism for the rich." The historically close ties between government and industry generally favor the introduction and promotion of corporate political institutions, which is relevant to an understanding of the present PDC government.

A linkage between the state and the large corporation in Chile is suggested by the different attitudes toward state assistance among different groups of managers. The firms that

received large amounts of aid in their establishment contain the highest proportion of managers who expect state assistance. Almost one-half the managers of large firms and one-third the managers of medium firms expect state aid, while less than 10 percent of small-firm managers entertain any hope for it.

The top industrial managers are integrated into the political and economic elites of Chilean society. They are certainly not outsiders fighting their way against restrictive traditional elites, free traders, or foreign capitalists. Their position in society and their place in the productive process indicate that they cannot be considered marginal individuals who would be forced to innovate, either politically or socially.

INTEGRATION OF THE ECONOMIC ELITE: INTERLOCKING DIRECTORATES

The study of industrialization in the underdeveloped countries has not given sufficient attention to the structure and organization of economic power. The high degree of concentration of economic power found in the industrialized capitalist societies is found also in Chile. The difference is that in a country like Chile the concentration of economic power is heightened by the absence of a large group of stockholders. As one would expect, managers of large firms tend to be involved in the directorships of more industries than managers of small or medium ones.[15]

Among the big industrial firms there is considerable interchange of top personnel. The managers of the small firms tend to be "isolates" wielding power from a narrow economic base. The economic elite, defined as those who wield decision-making power over more than one enterprise, tends to be

[15] Lauterbach notes "the widespread lack of specialization in a definite industry or field of business. The same person, family group or office frequently administers a variety of enterprises which may range from textile plants and sugar plantations to mines and banks." In Chile, his remarks are most applicable to managers of the largest firms, but bear little relation to the activity of managers of small and medium industries. Lauterbach, *op. cit.*, p. 202.

concentrated in the larger enterprises. The competitive model does not fit Chilean industrial reality. The modern industrial firm is linked to other large firms through overlapping directorships. This economic oligopoly, rather than being the end-product of a period of dynamic growth in which the competitive system was gradually transformed, has come into existence during the period of underdevelopment.

A substantial concentration of economic power in the form of monopolies or oligopolies has emerged side by side with atomized artisan units. Analogous to this urban structure of tiny units and monopolies is the *latifundia/minifundia* pattern in the countryside. In Chile large-scale industry consists of 177 establishments, representing only 3 percent of the total number but 50 percent of the total gross value added.[16] Within this group, twelve establishments accounted for 40 percent of the output of the whole group and 20 percent of the total industrial output in Chile. In other terms, nine units concentrated 45 percent of the total capital of large industry and 25 percent of the total capital of all factory industry.[17] Two-thirds of the largest industrial firms are also linked with powerful financial interests, compared to 40 percent of the medium and only 15 percent of the small firms. Monopoly

TABLE 20

INTERLOCKING DIRECTORATES: THE ECONOMIC ELITE

Number of Firms Directed	Small	Medium	Large
1	77	56	47
2	15	19	12
3	0	5	18
4	8	9	0
5	0	5	18

[16] Max Nolff, "Indústria Manufactura," in Corporación de Fomento de la Producción, *Geografía económica de Chile* (Santiago, Chile: Editorial universitaria, 1965), p. 531. A study by a Chilean economist finds that 4.2% of Chilean corporations control 59.2% of the capital of all corporations. E. Ricardo Lagos, *La concentración del poder económica* (Santiago, Chile: Editorial del pacífico, 1965), p. 23.

[17] *El desarrollo industrial de Chile*, p. 29.

and integration characterize the modern sectors of Chilean industry; the less-developed sectors are competitive and set apart from the banking institutions.

BIG BUSINESS AND LANDOWNERSHIP

One of the most important and perhaps one of the least-analyzed influences on the economic development of a country is the relationship between business and agriculture. The unstated assumption underlying most development literature is that the two sectors are represented by distinct groups. This distinction of course facilitates discussion of piecemeal changes, or "reform-mongering," as one writer has called it. There is, of course, nothing wrong with abstracting any part of society in order to study its elements—as long as one knows that this is simply an analytical separation. Rather than assume that landowners and businessmen are separate groups, I have attempted to investigate the degree of overlap and integration between the two elites.[18] The data reveal that almost one-half of the large businessmen in Chile either own large farms or are closely related to owners of them (see Table 22). The extensive overlap of the two sectors considerably weakens the thesis of sectoral conflict in Chilean development. The political problem that this poses for agrarian reformers is that in order to reform agriculture they must also attack urban big business. The inability of the Chilean political system to

TABLE 21

COMPETITIVE OR MONOPOLISTIC NATURE OF FIRM
(percent)

Type of Firm	Small	Medium	Large	Distribution Among All Entrepreneurs
Competitive	84.6	64.3	37.5	62
Monopolistic	15.4	35.7	62.5	38

[18] Data were collected on Chile's largest businessmen from the *Biographical Dictionary of Chile* and from the listings of the leading stockholders of urban enterprises. The total number was 272. These data, for whose use I am indebted to Maurice Zeitlin, are part of a larger study being conducted by Professor Zeitlin on the integration of the economic elite.

carry out significant agrarian reform can, I believe, be traced to this overlap of rural and urban economic interests based on kinship ties. The absence of major conflict between the two elites with the advent of the industrialization period of the 1930s and earlier can be traced to the elites' integration. The shift in government support from agriculture to industry in the past quarter-century was not strenuously resisted because it benefited the same groups. Likewise, the decline of agricultural investment and production can be traced to a transfer of funds by the elite from the rural to the industrial-urban sector. In this sense the development and growth of industry was directly related to the stagnation or underdevelopment of the rural-agricultural sector. Uneven development resulted from the entrepreneurs' response to shifts in government policy, and both the growth of industry and the stagnation of agriculture resulted from profit-maximizing by the investor groups. In this sense development and underdevelopment in Chile appear as a function of the "normal" economic behavior of the entrepreneurial group and of the capitalistic system.

There is a core of businessmen who own large farms themselves and who have relatives who own farms. This core amounts to about 10 percent of the business group. This group would probably have the strongest commitment to maintaining the status quo, since family ties reinforce individual interests. It can be further inferred that opposition to a radical land-reform program would be a salient issue for this

TABLE 22

BIG BUSINESSMEN AND OWNERSHIP OF LARGE[a] FARMS (N = 272)[b]

	N[b]	Percent
Businessmen owning one farm or more	68	25
Businessmen related to owners of one large farm or more	59	22
TOTAL	127	47

[a] Owner-declared value of farm to income tax bureau; "large farms" are those valued at $40,000 or more at the 1961 official exchange rate.

[b] N = number of businessmen.

group. The big business group's involvement in agriculture can be measured by examining the number who own or whose relatives own more than one farm.

Approximately 17 percent of the big businessmen or their relatives own more than one large farm. Among the multiple-property owners the average is close to three farms per businessman.

It is safe to conclude that the Chilean economic elite is a very integrated group, which is probably one of the main reasons why serious conflicts have not emerged between large landholders and businessmen. It may also account to a large extent for Chilean stability. On the other hand, this integration of rural and urban elites has led to the exclusion of the peasantry from effective participation in the polity.

Role of the Entrepreneur in Economic Development

In contemporary Chilean society increases in industrial growth are closely linked to the performance of the larger monopolistic firms. Their ability to maximize production is linked with their ability to foster a government policy that promotes high profits and monetary stability. The competitive smaller firms tend to be the less dynamic elements of the economy, though they still hold the values of higher productivity, economic stability and greater profit incentives. By identifying the dynamic and less dynamic sectors of the economy, significant differences in productivity that overall averages ob-

TABLE 23

MULTIPLE OWNERSHIP OF FARM PROPERTY AMONG BUSINESSMEN AND RELATIVES

	Number of Farms Owned				
	2	3	4	5 or more	Total
Number of farm-owning businessmen or relatives	26	12	3	4	46
Total (number of farms owned by businessmen X number of businessmen)	52	36	12	34	134

scure can be ascertained. For example, if we look at all the firms we find that almost one-third show no increase or even a decrease in production—but 38 percent can be classified as a dynamic group showing a significant increase in productivity. The larger the firm, the higher the percentage with a production increase of 25 percent or more. Stagnant enterprises, on the other hand, are found predominantly among the small firms. Medium firms tend to be more dynamic, and large firms have a high percentage of the dynamic enterprises. This is not surprising, since medium and large firms receive by far the largest portion of state and foreign aid. Most of Chile's industrial growth is accounted for by the monopoly industrial firms integrated into the structure of economic power.

The industrial managers' attitudes toward employees and workers are those of the modern capitalist. Less than 20 percent are mainly concerned with assuring subordination, discipline, and loyalty to the company—a traditional attitude. Almost half, on the other hand, are mainly concerned with increasing production—a modern attitude.

A key element in the process of development is the rate of savings and investment. The obstacles to the realization of an adequate rate of savings in the underveloped countries generally include such factors as a backward agrarian sector and the inequality of income, which frequently leads observers to project "reform" attitudes on the industrial elite. The industrial managers are not concerned with structural problems but with more specific issues, mainly inflation and the rate of profits. They favor a policy of stability that allows for high profit returns rather than policies oriented toward redistributing income.

Less than 10 percent of the industrial managers consider the need for tax reform, income distribution, or reduction of middle-class consumption as the principal obstacles to greater saving and investment. Three-fifths consider inflation the greatest obstacle, and almost a quarter cite low profits or "excess" taxes. Inflation creates a sense of insecurity and has had an unstabilizing effect on the society as a whole. Strass-

TABLE 24

PRODUCTIVITY BY SIZE OF FIRM
(percent)

Increase or Decrease of Production	Small		Medium		Large		Distribution Among All Entrepreneurs	
Increase of >25%	23.1		34.9		58.8		38.4	
Increase of 11–25%	7.7		18.6		0		12.3	
Increase of 1–10%	15.4		7.0		5.9		8.2	
No change	15.4		23.3		17.6		20.5	
Decrease of 1– 5%	0	38.5	0	32.7	0	23.3	0	31.4
Decrease of 6–15%	0		4.7		0		2.7	
Decrease of >16%	23.1		4.7		5.7		8.2	
Don't know, no information	15.4		7.0		11.8			

man, in describing the attitude of "the" Latin-American industrialist, notes: "The sensitivity of Latin American . . . industrialists to actual and imagined risks is well known. Fear influences the amount, direction and variability of investment. It makes Latin American capital seep abroad in spite of higher domestic returns, and diverts much of the remainder to commerce and construction."[19] This preoccupation with stability and profits over and against innovation, risk-taking, and structural reform is strongly tied to the managers' position as a group with a strong stake in the status quo, a group with a dominant position in the economy.

Entrepreneurial Attitudes Toward the Agrarian Sector

The lag in Chile's development is usually associated with the performance of the agricultural sector. Developmental literature emphasizes the contrast between the growth of industry and the stagnation of agriculture. One argument is that industrial entrepreneurs have an interest in agrarian reform in order to increase the standard of living of the rural populace, thus creating an internal market.[20] Another is that low agricultural productivity causes the use of scarce foreign exchange to import food and thus reduces the entrepreneurs' ability to import capital goods; hence, development-oriented

TABLE 25

ATTITUDE OF MANAGERS TOWARD LABOR FORCE

Primary Concern of Managers	Small	Medium	Large	Distribution Among All Entrepreneurs
To assure subordination, discipline, and loyalty to company	25.0	17.1	17.6	18.6
To increase productivity	66.7	41.5	47.1	47.1
Both		22.0	17.6	17.1
Other	8.3	19.5	17.6	17.1

[19] W. P. Strassman, "The Industrialist," in Johnson, ed., *Continuity and Change in Latin America*, p. 172.

[20] CEPAL, "La reforma agraria" in Oscar Delgado, ed., *Reformas agrarias en la America Latina* (Mexico City: Fondo de cultura económica, 1965), pp. 29–35.

industrialists have a self-interest in land reform.[21] Both arguments are based on the assumption that the industrialists and the landowners are distinct groups. They also assume that industrialists would support mobilization and accept the initial political instability that would result from extensive agrarian reform. Finally, they assume that political activity oriented toward agrarian reform is compatible with the interests and outlook of industrial property-owners who have their own labor force to contend with.

My hypothesis is that the overlap and kinship linkages between the business elite and the landowners are factors limiting the industrialists' commitment to agrarian reform.

Recent Political Developments in Agrarian Reform

Data collected in 1958 showed that a clear majority of the property owners (almost three-fifths of the sample) were not in favor of agrarian reform. However, between 1958 and 1965 (when the survey of industrial managers was conducted) significant political changes occurred.[22] In brief, the old right-wing parties declined precipitously, and the Christian Democrats and the Marxist coalition became the two major electoral forces. Both groups declared the need for a "profound agrarian reform." Both candidates waged intense campaigns to gain the support of the peasantry and rural workers. It was a rare farm that was not reached by the agrarian reform program.

The opponents of agrarian reform did not oppose it outright. The 1965 data show that there has been a decided shift among the industrial managers; a large plurality now favor agrarian reform, at least in principle. Those who support agrarian reform with reservations, or who do not respond or have no opinion (30.8%), compose a large "swing group."

When the question of support for agrarian reform is coupled with the idea of granting the government the power to expropriate the industrialists' support drops off abruptly. Support dwindles from 48 percent for the principle of agrarian

21 Jacques Chonchol, "Razones económicas, sociales y políticas de la reforma agraria," in *Reformas agrarias en la América Latina*, p. 112.

22 See chap. 4 below.

reform to 12.5 percent for its effective implementation. One can argue that support for "voluntary" agrarian reform—where the government lacks the power to expropriate—is rather meaningless, since "voluntary" reform is a rather useless proposition. It should be noted, however, that from 1958 to 1964 there was also a substantial increase among the "don't know/no response" group, indicating, perhaps, the uncertainty of the industrial managers. They may be uncertain of the consequences for themselves, since it was not clear what farms would actually be expropriated under the Christian-Democratic program. These forebodings find their strongest expression among the industrial managers of the largest firms, among whom almost one-half gave no definite response (see Table 27). Price regulation has been practiced by the government for many years in an attempt to prevent food prices from rising and to prevent an extreme deterioation of the living standards of the mass of urban poor. Government policy has been largely dictated by political necessities, since a serious increase in prices and the consequent decline in urban working-class living standards would probably create an explosive social situation.

The traditional answer of the right-wing parties and large landowners to the question of why productivity in the agricultural sector is low has been that prices were low, and there hence was an inadequate incentive to produce. On the question of increasing agricultural prices the industrialists and

TABLE 26

INDUSTRIALISTS' ATTITUDE TOWARD AGRARIAN REFORM
(percent)

Response	Small Firms	Medium Firms	Large Firms	Distribution Among All Managers
Agree	44.4	54.5	30	48.1
Disagree	22.2	21.2	20	21.2
Agree, with reservation	22.2	6.1	30	13.5
Don't know/no response/ other	11.2	18.2	20	17.2

landowners share a common outlook. Over three-quarters of the industrial managers favor this policy. There are no "Corn Law" proposals coming from the industrial elite in sight for Chile. The differences and uncertainty among industrial managers about agrarian reform disappear when the agrarian problem is posed in terms of improving the operating conditions of the current landowners. Whatever the limitations that the agrarian sector imposes on industrial development, the industrial managers perceive progress as coming about through improving the current landowners' economic incentives.

The cautious and uncertain attitudes of the industrial managers toward agrarian reform on the one hand, and the large proportion who favor incentives to the landowners on the other, suggest that perhaps the analytical division of economic sectors has obscured an important aspect of socioeconomic reality: the shared values of the business-landowner group. It is apparent that the cautious attitudes of the industrial entrepreneurs, apart from other considerations, have a direct or indirect economic basis. Likewise, the general opposition to empowering the government to expropriate reflects a fear that in many cases is based on real economic interests. The support expressed for the principle of agrarian reform

TABLE 27

INDUSTRIALISTS' ATTITUDES TOWARD EMPOWERING GOVERNMENT TO EXPROPRIATE FARMS
(percent)

Response	Small Firms	Medium Firms	Large Firms	Distribution Among All Managers
Agree on reform and powers	23.1	14.3	0	12.5
Agree with reservation	7.7	16.7	17.6	15.3
Disagree with reform or powers or both	30.8	40.5	35.3	37.5
Don't know/no response	38.4	28.5	47.1	34.7

can be considered as politically expedient—an adjustment to the changing political atmosphere. But the industrialists' opposition to the means of implementing agrarian reform may be a direct reflection of shared values, underwritten by the common ownership of landed property, by the business and landowning elites. Sunkel refers to this pattern of elite integration when he writes:

> During the last several years the process of integration between the new social groups and the traditional groups has been completed by means of the matrimonial linkages between both, and by means of the incorporation of the new industrial and commercial families to the institutions and social circles that characterize and give status to the traditional governing elite. Another expression of the same phenomena is the fact that a good part of the new industrial bourgeoisie is acquiring agrarian goods and property, an important symbol of social status.[23]

CLASS IDENTIFICATION AND PERCEPTION OF THE GOALS OF INDUSTRY

The overwhelming majority of Chilean industrial managers consider themselves members of the "comfortable middle class" (*classe media acomodada*), the equivalent to the upper middle class in the US. Over 70 percent of the managerial elite classify themselves in this group. None of the industrial managers "misperceive" or classify themselves as lower class. Fifty-five percent of the managers identify with the *gente acomodada* (literally the "comfortable or affluent people"), 31 percent with the middle class. Less than 10 percent identify with the upper class. The industrial managers appear to be fully aware of their class position (there are few "misidentifiers"), and to identify with it. The sharing of a common view of their social position would appear to indicate a certain level of cohesion or class consciousness. It is interesting that very few identify with the "*burguesia*" (bourgeoisie). This is due to the fact that in Chilean popular literature the term bourgeoisie has come to mean a rapacious exploiter of labor—an image the Chilean industrial managers would like to avoid. Not a single manager, even among the small firms, identified

[23] Sunkel, p. 24.

with the popular classes or the proletariat. They identify with the upper class and the middle class, with the great bulk falling in between.

Most managers consider protection of the firm, rather than "national" or strictly personal goals, as the major goal of industry. Their cautious attitude is almost universal; only a small number consider themselves as "empire-builders" or aspire to monopolize their field of endeavor. Their concern with defending the firm and its economic backers is similar to the attitude of the "organization man" in the corporate system. Among the small firms there is a group of managers who express the goals of industry in "nationalist" terms. On the whole, however, the managers, while lacking the adventurous risk-taking spirit of the earlier European bourgeoisie, differ little in their attitudes from those of the modern U.S. corporate executive (see Table 28).

In order to determine the status of various industrial pursuits it may be useful to examine the career choice of the oldest son. If the father's occupation was relatively low, the son's career choice would, presumably, diverge to other fields, in which case the father's economic pursuits would be merely

TABLE 28

GOALS OF INDUSTRIALISTS
(percent)

	Small Firms	Medium Firms	Large Firms	Distribution Among All Managers
Protection of firm and stockholders	25.0	49.1	41.0	43.0
Expansion to build industrial empire	8.3	6.9	11.7	8.0
Construct viable and modern capitalism	0	4.6	5.8	4.0
Establish, maintain, protect fortune and position	8.3	4.6	5.8	5.5
Become a monopoly	16.6	0	5.8	4.0
Build a better Chile	33.3	20.8	23.5	23.5
Enrich oneself in whatever manner	0	4.6	0	3.0
Don't know, no response	8.5	9.4	6.4	9.0

a building block to the son's higher position.[24] The oldest sons of industrial managers tended to favor modern technical and traditional professional careers rather than continuing in their fathers' firms. While 40 percent tend to favor the more technically oriented modern professions, a considerable number, 34 percent, still look toward the older prestigious professions (law, medicine) for their future career. There appears to be a tendency among the "nouveau riche" to see status and prestige according to a lingering traditional value-system.

Contrary to what has been written, the class identification of Latin-American entrepreneurs and their preoccupation with returns to their firm and its stockholders suggests that the corporate executive exhibits modern capitalist attitudes. Whatever the problems in Latin American development may be, they do not appear to originate from a lack of capitalist motivation. The hindrances to development can perhaps be traced to the industrialists' inability to overcome their dual role: commitment to industrialization on the one hand, and to a narrow internal market and limited effective demand maintained by low wages and an unproductive system of land tenure of which they are a part on the other. The modern attitudes of the largest entrepreneurs toward production, technical innovation, professional training, and the like are linked to a social system in which access to these factors of consumption and production are barred to two-thirds of the population.

ATTITUDE TOWARD THE STATE'S ROLE IN ECONOMIC DEVELOPMENT

The industrial managers' attitude toward the state's role in economic development is interwoven with their private calculations of gain. There is almost no outright rejection of interventionism or planning on ideological grounds. To the extent that state intervention and planning are perceived as aiding or promoting their self-interest, these approaches tend to

[24] The information on sons' career choices was obtained through interviews with fathers, and therefore is indirect.

be favored; when the state is viewed as a competitor, such approaches are strongly opposed. On questions that affect the entrepreneurs' "dual roles"—such as consumer-producer—cleavages emerge, depending on which role predominates and can best be aided by state action. Political debates between business and other social groups are not over planning in general, nor over "planning vs. free enterprise," but over the kind of planning envisioned (that is, whether government planners should simply set targets for foreign and domestic private enterprise to aim at, or whether they should have the financial and economic power to realize economic goals).

There is a general consensus (over 80 percent) among all the industrial managers in favor of maintaining a high level of planning. However, the industrialists' tendency is to support the existing planning approach rather than to extend planning beyond the past Chilean experience. The same general agreement is found regarding support for "state intervention." Two-thirds of the industrial managers support "state intervention." Those who give little or no support to state intervention are a distinct minority among Chilean entrepreneurs. The state is not generally considered as an enemy, nor are any ideological commitments common that categorize state involvement in the economic process as inevitably evil.

Sunkel, noting the historic, close relationship in Chile between private industrialists and the State, writes:

> In the case of the industrial entrepreneur . . . his origin and development is directly related to the process of industrialization and the expansion of the functions of the state. His existence and growing economic power was induced initially by the external phenomenon of the great world crises, and stimulated afterward by the use of the protectionist policy and by broad state financial support, as was the case during the initial decade of this process. No significant change in the political structure was carried out . . . it was the very traditional groups that were in power who promoted the development of the national industrial bourgeoisie with which those groups were later tightly connected.[25]

In contrast to the broad support for "planning" and state

[25] *Ibid.*

interventionism, there is virtually no support for state involvement that may compete with private interests. The "pragmatic" view appears to prevail: the state is viewed as a positive or negative force depending on the policies it adopts vis-à-vis business interests. This can be seen more clearly when the question of the state's participation in industry comes up. Less than 30 percent of the industrial managers interviewed favored state intervention in the form of state participation in industry. Of those favoring "state participation," not a single manager favored an increase of the state's involvement in industry. The 30 percent that agree on state participation in industry limit their agreement to the state's limited role in the past, that is, participating in vital industries, providing initial capital, and so forth.

The Chilean industrialists are not the free-wheeling, risk-taking adventurers of Schumpeterian fame: they prefer to take subsidies from the state and seek its protection in exploiting a limited internal market. Protected by one of the world's highest tariffs, they have no need to innovate. They fear not state subsidies to private enterprise, but competition, private or public. Almost two-thirds of all industrial managers interviewed favored government subsidies to industry; slightly more than three-quarters favored the exclusion of foreign competition in the internal market. Eighty-eight percent of the industrial managers from the largest firms (which have the greatest percentage of monopolies) are also in favor of a protective tariff—ostensibly to protect the "infant industries."

Support or opposition to "state interventionism" is a pragmatic question: its rejection or acceptance among the industrial groups concerned seems based on self-interest. The political question that the industrial managers are concerned with is the effect of state intervention on their private interests, not whether it is the "state" that is promoting a particular policy.

The political competition between Chilean industrial elites reflect to a considerable extent their economic competition for a profitable state policy on credits and prices (not conflicts over basic social reforms). These issues generate considerable friction between entrepreneurs. When the entrepreneurs find

it necessary to make impassioned appeals to the populace to further their own economic ends, one may mistakenly assume that the revolution is coming, when the cause of the furore is nothing more than one group of entrepreneurs attempting to mobilize the public in order to gain advantage.

On the question of the state's role in controlling credit and prices the entrepreneurs are split into three groups: those who favor controls, those who favor controls with conditions, and those who, for one reason or another, do not favor controls. On the issue of price-credit control they split even further, reflecting the dual roles (buyer-seller, producer-consumer) that entrepreneurs of all strata play.

The managers of the small firms overwhelmingly favor control of credit (75 percent) and prices (67 percent). This perhaps reflects the small firms' real attitude toward access to credit and their position as customers of the larger firms. The strongest opposition to price controls is found among the large firms (41 percent) which, given their monopolistic position, is understandable.

Different attitudes towards "state interventionism" among the industrial firms thus reflects the industrialists' different needs and desires regarding the degree of state control over credit and prices.

What in Chilean newspapers appear to be dramatic ideological struggles can frequently be traced back to quite limited objectives. Frequent espousal of popular causes by sectors of the elite serves merely to disguise the struggles between elites over narrow interests. It is perhaps for this reason that radical-sounding ideological battles are frequently resolved in legal parliamentary skirmishes: the real objectives are not espoused by antagonists as opposed as outward pronouncements would lead one to believe.

POLITICAL CHOICE AND THE ENTREPRENEURS

Because of their social identification and their economic position, one would expect industrial managers to hold generally conservative political views. But the industrial managers are

pressured by their personal needs and class interest on the one hand and by the increasingly radical demands of the populace on the other. This situation places a premium on political flexibility.

Through analysis of the issues the managers support, I hope to determine their adaptability to change and their methods of cutting losses and maintaining their basic interests. In general, the political choices of the managers reveal a preoccupation with stabilizing new situations and a willingness to use new political formulas, programs, and personalities to accomplish their ends.

Their political orientation can only be understood in terms of the shifting political context of the country. As pressure for political reform has intensified, the managers have adjusted their attitudes to the new circumstances, taking advantage of new opportunities or turning difficult circumstances to their advantage. The fluidity of party alignments in the 1950s and the rapid decline in strength of the traditional pro-business Right (Liberal-Conservative and Radical parties) in the 1960s necessitated the adoption of new political strategies. In order to understand the political changes and preferences of the managers we must examine four areas of political choice: party preference, candidate preference, attitude toward the government, and attitude toward political issues.

Three-quarters of the managers prefer the right wing and the Radical party over any other. But within the managerial group there is a significant split between the managers of the large firms and the others: almost half the large managers are supporters of the Christian Democrats, compared to one-quarter of the managers as a whole. Despite its revolutionary rhetoric the Christian Democratic Party (PDC) attracted a minority of the economic elite to its banners. Industrial managers of large firms were part of the multi-class coalition that united behind the PDC.

The 1958 presidential-candidate preference of the industrial managers confirmed their conservative propensity. Almost 60 percent of the managers preferred Alessandri, while

less than 10 percent preferred Frei. But the managers of large firms generally supported Frei.

By 1964 the political situation had changed substantially. As the presidential elections approached, it became evident that the traditional conservatives were losing support and the populace was growing restless. The economic elite accordingly shifted toward Christian Democracy and Frei. The thoroughness of the shift is evident in managers' preference in the 1964 presidential election: Frei was selected by seventy percent and Allende by one-and-a-half percent; the third candidate, the original choice of the right-wing parties, got no support. The managers supported the only candidate who could have defeated the Marxist-Socialist Allende.

Immediately after the election the managers were more favorable to Frei (39 percent) than to Alessandri (23 percent). The managers did not perceive Frei as an enemy, nor as the lesser evil of two "revolutionary" candidates (as he sometimes had been presented), but as even more accommodating to industry than Alessandri, his conservative predecessor. The industrial managers saw Frei, the Christian Democrat, as a better representative of industry than the rightist Alessandri.

This image of Frei was held by all types of industrial managers, though some, especially the managers of medium-sized firms, were more cautious (almost two-fifths stated it was too early to tell).

In the beginning, at least, Frei's pro-industrialist image was expressed in the 75-percent industrialist support of his government. Managers of the largest firms proved to be Frei's best supporters. His pro-industrial image appealed more to the managers of the biggest firms (92 percent) than to those of the medium (75 percent) or small firms (67 percent).

The support Frei received from the managerial elite is surprising, since a considerable effort was made to present him as a populist candidate, and since his pragmatic appeals were directed to the growing reform sentiments of both the urban and rural poor. His agrarian-reform and urban-reform programs were directed against the interests of the economic elite.

His slogan "Revolution In Liberty" combined the social and economic reforms proposed by the Left with a "libertarian" political framework—libertarian meaning that civil liberties would not be sacrificed to the achievement of his socioeconomic program. If the managers' responses to several reform issues are examined, it is clear that they were supporting Frei as a pro-business candidate, and were not prepared to support a reform program aimed at the populace.[26] A sizeable sector of the industrial managers, consciously or not, adopted an "insiders" strategy: to support Frei's candidacy, but to work against or moderate the reform program within the government and party. Less than 15 percent of the managers offered total or partial support to the government and its reform program; 40 percent were generally opposed to that program. The industrial managers' adjustment to the new political atmosphere, and their willingness to pay lip-service to popular demands for social reform, did not indicate any basic change in their attitudes. What had changed was the political strategy: instead of supporting such outright conservatives as Alessandri and Duran, they shifted their support to the Christian Democrats and to Eduardo Frei.[27]

Two related political issues throw additional light on the political orientation of the industrial managers: their attitude toward the so-called "communist danger" and toward granting the executive branch of the government "extraordinary powers." Making much of the "communist danger" has been a favorite tactic of anti-reformist groups and economic elites intent on avoiding a substantial redistribution of income. The intense anti-communist campaign launched against Allende prior to the 1964 election was an attempt to make the main issue of the election communism vs. anti-

[26] The managers' negative response to the "power to expropriate" necessary to make the agrarian reform effective is obvious evidence of this attitude.

[27] Early in 1965 the conservative businessmen's newspaper *El Mercúrio* became a staunch defender of "presidential leadership"; since then it has treated Frei more and more as a leader of the country rather than as a spokesman for the Christian-Democratic party (or its program).

communism (instead of social reform). Anti-communism served as a political weapon of the conservatives. Almost three-quarters of the industrial managers saw communism as a "real danger"; those who saw the main issue as social reform were less than 10 percent.

Obviously, managers vary in their degree of political involvement, and hence in their degree of political efficacy. Political participation is usually channeled through such trade groups as the Chilean manufacturers' association. The data indicate that in terms of extent and intensity of participation in the trade association, the managers of the largest firms predominate. The point of view of the larger corporations is thus quite forcefully presented both to the association and, through that channel, to the polity. Over two-thirds of the managers of the large firms were involved in political action to a large extent, compared to 45 and 15 percent, respectively, of the managers of medium and small firms. The manufacturers' association, which seems to represent the entire industrial sector, actually tends to be directed by its more involved members, who more often than not appear to be managers of large firms.

SUMMARY AND CONCLUSION

The general pattern of Chilean social mobility seems to hold for the recruitment of managers. Sons of professionals, and even of employees, do find their way to the upper levels, but those individuals whose fathers were blue-collar workers seldom or rarely become even low-status white-collar workers—the first step toward a possible higher position.

Economic development in the industrial sector has been aided since 1930 by the transfer of funds from the agrarian sector. Within the industrial sector, the state-supported, state-subsidized, and state-protected large enterprises have shown the most dynamic growth, while the smaller firms, which apparently have less access to this "welfare program," show little or no advance.

Essentially integrated into the economy, subsidized by the

state, protected from outside competition, and in control of the internal market through monopolies and interlocking directorates, the industrial managers are basically a conservative force concerned with the stability of the existing social system. Represented in the political system by the most influential parties, they generally influence even "leftist" coalition governments. Their integration with traditional elites, however, makes them unable to deal with the problems of stagnating agriculture and of the exclusion of the rural populace from the polity.

The integration of the managers in the social system makes them a target for the new insurgents—the politically mobilized peasantry and its agencies, the radical peasant unions. Embedded with the old and new coalitions, the managers have come to identify their success with the maintenance of the traditional structure of power and authority.

Chile's industrial managers have created new enterprises, and have modified the structure of the economy, but the changes they have wrought have failed to integrate the lower-class masses into the polity and have failed to create greater opportunities on all levels of society. The industrial progress achieved by the early efforts of the industrialists—their successful manipulation of the state to promote new enterprises—have resulted in the creation of new obstacles to further development. Instead of the problem of the absence of industry, there are the problems generated by a complex of monopolies, oligopolies, and small inefficient firms. Instead of the problem of a "disinterested state" there is the problem of a state committed to protecting and subsidizing low-productive and high-profit units of production.

In these circumstances, any middle-class political group must face the question of how to reorient a group accustomed to limited changes and economic security into a dynamic force furthering basic social changes (including the integration of the peasantry into society) and economic development.

3
THE RIGHT WING

Throughout the nineteenth century, and for most of the first half of the twentieth, Chilean politics was strongly influenced by a conservative elite. The power of the right wing took root in the socioeconomic conditions and political institutions of the nineteenth century. The landowning elite, which controlled agriculture through its ownership of the large farms (*fundos*), formed the nucleus of the right-wing political organizations that dominated government. The large landowners' control over land, peasants, and law enforcement was the basis for rightist political power. Recent changes in Chilean politics, particularly the emergence of rural political organizations independent of the traditional elite, have led to the precipitous decline of the rightist parties. These new political forces might eventually lead to the elimination of the landowning elite as a significant socioeconomic force. The traditional links between landownership, control of the peasantry, and rightist political power also work in reverse. Loss of social control and political power by the Right is beginning to threaten the landowners' existence as a social class.[1]

[1] For a discussion of the political emergence of the peasantry see chap. 7 below.

HISTORICAL ROOTS OF RIGHTIST STRENGTH

The large landowners' social cohesion and political influence still survive. They are still able to resist socioeconomic change, particularly if it adversely affects their interests. This is partly because of a strong tendency for Chilean protest groups to become reconciled to the traditional groups upon taking political office. It is in this fashion that major social groups have become deadlocked, and representative parliamentary government has become a means of institutionalizing social rigidity.[2] The historical roots of the strength of the Right and the submissiveness of the opposition parties reach back to the early days of the Republic.

Although the Peninsular Spaniards enjoyed political control and dominated the public administration, the Creoles possessed the stable wealth of the country. Galdames described the Creoles as "merchants, industrialists, agriculturalists, or miners. Some were owners of large estates or exploiters of valuable minerals; others were proprietors of farms or of extensive landholdings."[3] Even before independence, the landholding class was an established economic power; since it controlled the peasantry, it was the dominant social institution of the country.

After Independence the landholding pattern changed but little: the *hacienda*, an outgrowth of both the *encomienda* and the land grant, became the main territorial and social unit, consisting of an area of land and the laborers attached to it. As late as the mid-1930s McBride wrote that "the *hacienda* continues to be the most characteristic feature in Chile's agricultural organization, as also in the entire social structure of the nation."[4] The system of tenant farming (which exists in many parts of the country today) was established early in Chilean history. The *inquilinos* (tenant farmers) worked the

[2] The social stagnation described here involves a lack of social mobility, the absence of substantial improvement of social conditions over the course of several decades for lower-income groups, and the persistence of a wide gap between upper- and lower-income groups.

[3] Luís Galdames, *A History of Chile* (Chapel Hill, N.C.: University of North Carolina Press, 1941), p. 131.

[4] George McBride, *Chile: Land and Society* (New York: American Geographical Society, 1936), p. 122.

fields of the large landowners; in return, each family head was granted a tiny plot of ground on the landowner's estate. The inquilino usually lacked tools, work animals, and seeds (not to mention food, during the winter months), and thus had to borrow money on future crops at interest rates of from 200 to 300 percent.[5] This relationship between a servile, dependent peasantry and an authoritarian, dominant elite has been typical of Chilean society throughout most of its modern history.

The War of Independence heralded no social upheaval nor any basic change in institutions.[6] For the most part, the revolutionary leaders were *hacendados*, aided by inquilinos who fought for the side their master favored. The Creole attained political power commensurate with the economic power he had always possessed. Chile's social structure emerged intact: a respectable aristocracy united by blood ties and common interest at one end of the scale; an illiterate laboring population at the other.

Many Chileans, especially members of the landowning elite, favored Spanish colonial rule; only a small minority actively supported the struggle for independence. The elite feared possible disruptive effects. Even among the Creole *independistas*, fear of social change led to a split in the independence movement.[7] One author described the opinion of most distinguished families as "horror of the war. . . . Under the domination of the traditional cult of the king, they desired from the bottom of their soul the return of the status quo ante bellum."[8]

José Miguel Carrera, leader of the post-Independence junta,

5 Galdames, p. 133.

6 Federico G. Gil, *Genesis and Modernization of Political Parties in Chile* (Gainesville, Fla.: University of Florida Press, 1962), p. 4.

7 The split was three-way: First, those who desired immediate independence and a confederation of all the nations of the continent. At the head of this group were Carrera as military chief and Egana as philosopher. Second was a large group that wanted a greater degree of autonomy rather than immediate independence. Third was the group loyal to the king. Alejando Alvarez, *Rasgos generales de la história diplomática de Chile (1810–1910)* (Santiago, Chile: Imprenta Barcelona, 1911), pp. 136–137.

8 Domingo Amunategui y Solar, *História social de chile* (Santiago, Chile: Editorial Nascimiento, 1932), p. 261.

was forced to resort to purges, forced loans, and other forms of coercion in attempting to consolidate the elite. Nevertheless, the divisions among the independence leaders remained, and the royalists (especially those among the Catholic clergy) used every opportunity to attack the revolution.[9] Since the harsh measures Carrera adopted toward his numerous enemies had little effect, he appealed to the masses for popular support by proclaiming the sovereignty of the people, ordering the convents to provide education for homeless children, and preparing similar minor reforms. The threat of social change implied in Carrera's appeal caused the landholding elite, royalist and *independista,* to rally behind O'Higgins as the lesser evil. Rather than fight a civil war, Carrera recognized O'Higgins as general-in-chief.[10]

But O'Higgins too favored moderate reforms, and he too soon met opposition from the big landowners: "The first clear expressions of the divorce between the Supreme Director and the aristocratic class appeared in the agreements of the Conservative Senate, created by the Carta de 1818. The divergencies between this body and the government increased year after year, until the beginning of 1822 when the meetings were terminated by O'Higgins."[11] The Senate represented the richest and most influential families, and they believed that O'Higgins' policies were a threat to their interests. O'Higgins had also alienated the more liberal of the independistas, among whom were both Carrera and the popular revolutionary hero Manuel Rodriguez. Without popular or elite backing he was forced to abdicate, in January 1823. The landholding elite's deep-seated authoritarianism, and its casual use of force as a means to domination, are thus visible even in its early efforts to thwart the independence struggle. Its later efforts to control the post-independence government were more successful.

O'Higgins' successor, Freire, was not associated with the

[9] G. F. Scott Elliot, *Chile* (London: Unwin, 1907), pp. 135, 148.
[10] Amunategui, p. 258; Scott Elliot, p. 149.
[11] Amunategui, p. 268.

landholders who ousted O'Higgins. Under Freire, several reform measures contrary to the interests of the landholding elite were instituted. African slavery and censorship were abolished, provisions were made for the distribution in small holdings of public lands, property held by the regular clergy was expropriated, and relations with the Pope were broken off. The Constitution of 1828 established a bicameral legislature, a President with a five-year term, and a Supreme Court elected by the legislature. But the conservatives were not without influence at the constitutional convention: Catholicism was declared the state religion, and public worship-services of other religions were forbidden.[12]

Freire and his liberal group easily won the election of 1829, at which point the conservatives, under Portales, organized a successful insurrection. Once in power, the Conservative landholders set to work to ensure their continued dominance. The Portales government restored the entailed estates (*mayorazgos*), reestablished the lands and authority of the Catholic Church, instituted a heavy censorship, and suppressed provincial assemblies. The army was reorganized: liberal officers were purged, the military academy was reestablished and oriented toward preparing officers loyal to the elite, and a civil guard was established to repress opposition. Finally, the liberal opposition was dissolved and its leaders persecuted. The conservative restoration was successful on two counts: the peace and order desired by the elite was restored, and the threat of change from liberal forces was eliminated. The long-range effect of Portales' policies was to depoliticize the polity—through repression of political activity, controversy, and debate—while creating a strong administrative structure capable of promoting development that would not impinge on the prerogatives of the elite.[13]

Throughout this period, the struggle between liberal and

[12] McBride, p. 195; Eduardo Poirier, *Chile en 1908* (Santiago, Chile: Imprenta Barcelona, 1909), p. 88; Amunategui, p. 270.

[13] Julio César Jobet, *Ensayo crítica del desarrollo económico-social de Chile* (Santiago, Chile: Editorial universitaria, 1955), pp. 32–35.

conservative elements did not involve the mass of the people; it was an intra-ruling-class struggle between landowning groups. Nor would the liberals' "reforms" have had any immediate ill effect on the landowners' social and economic power.[14] The political divisions within the landholding class involved differences over such issues as retention of colonial institutions *in toto* as opposed to liberalization of political institutions, the proper relationship between church and state, and federalization or centralization of the structure of government. Those outside the landholding group were excluded from the political process. No populist leadership emerged from the elite. The liberal group was not prepared to counter conservative reaction by any popular appeal that might have endangered the status of the more liberal landowner. Thus the great experiments of independence and the institution of representative government were carried out from above: the big landowners deciding and controlling the issues and political leaders, the inquilino remaining socially and economically unaffected and politically subservient.

The Chilean ruling class was cohesive, active, and in complete understanding of its socioeconomic power-base. It recognized that an agrarian reform would create an independent social class, one with its own source of income. Independent farmers could easily have become a countervailing force in the political arena. The *latifundia* not only provided the landowners with social status and economic profit; it enabled them, through their domination of the land and labor, to prevent the growth of such a force. The unwillingness of social or political reformers to mobilize the lower class betrays their own commitment to this institutional pattern.

[14] John R. Stephenson, *The Chilean Popular Front* (Philadelphia, Penn.: University of Pennsylvania Press, 1942), p. 11. Stephenson's analysis of O'Higgins' downfall, incidentally, is rather similar to McBride's: "The necessity of altering the Chilean social order before attempting to make political democracy work was perceived by Bernardo O'Higgins, Supreme Dictator of Chile from 1818 to 1822; but the moment he struck at the privileges and power of the Creole landowners, he doomed his own administration to failure. The Creole aristocracy was the one solid political force in post-revolutionary Chile; no government could stand for long against its opposition" (p. 9).

THE CHILEAN RULING CLASS IN THE NINETEENTH CENTURY

The constitutional basis for domination by Chile's ruling class was established by the Constitution of 1833. Stephenson very nicely summarizes its key provisions:

> The legal framework for the Portalesian philosophy of government was provided by the Constitution of 1833, destined to remain in force until 1925. This conservative document not only restricted the suffrage through literacy and property qualifications, but also provided for a very strong presidency by giving the Chief Executive the power to select and control directly all administrative officials, to name Supreme Court justices and to veto congressional legislation. Further, reflecting its aristocratic origin, it reestablished the right of primogeniture (which had been abolished under the liberal regime) and declared Roman Catholicism the state religion, at the same time prohibiting the "public exercise of any other faith whatsoever."[15]

From 1830 to 1891 can be referred to as the period of centralized oligarchical rule. Its political ideology was clearly expressed by its leader, Diego Portales, who was responsible for organizing the largest landholders into a cohesive group that maintained the stability of the social hierarchy. One author has noted that "To Portales, constitutional techniques were only accessory; the essential issue was . . . traditional authority, a quiet and silent force . . . obeyed and respected . . . above any *caudillos* and factions."[16]

The Chilean landowning class, unlike other colonial elites in Latin America, completely dominated and sustained the authoritarian structure of the government. The Chilean ruling class contained few descendants of old Spanish feudal families or ancient families of *conquistadores* and *encomenderos*; merchants, tradesmen, and mine-owners predominated, most of whose families had been wealthy for only three or four generations. The Chilean ruling class was at the same time bourgeois and traditional. The same elite group maintained capitalistic social relations (free labor and wage system) and a

[15] *Ibid.*, p. 12.
[16] Gil, p. 6.

system of land tenure whereby a portion of the rural work force was tied to the land and paid in kind. During the eighteenth century, the old *conquistador* families intermarried with a new stock of landowners who had become successful businessmen. The wealthy bourgeoisie and the aristocrats had no cause to clash; they were equals.[17] The Constitution of 1833, which with minor alterations remained in force for almost a century, provided the legal framework for their political rule. By limiting the franchise to property holders or those persons having substantial incomes, and by excluding illiterates (nearly 90 percent of the population), this constitution virtually abolished local government and created a strongly centralized system with control in the capital. Though theoretically vested with great authority, the executive was in practice dependent on the oligarchy as represented in Congress.[18]

In Chile the laissez-faire doctrine was unpopular; the post-independence elite used the government to actively promote national economic development for the elite's class interests. Under elite control, the state played a positive role in the development of the national economy by providing assistance to embryonic enterprises and tariff protection to existing ones. Robert Will has ably pointed out the close linkage between government policy and ruling-class interests: "There persisted the belief . . . that industry could be developed only with the assistance of and encouragement from, the State. . . . In the realm of economic policy, the link with the past was, if anything, strengthened under the aegis of self-rule. . . ." This policy of government support for economic interests was continued far beyond the independence period: "Equally strong support for a protectionist policy came from official circles during the administrations of Joaquin Prieto (1831–41) and Manuel Bulnes (1841–51)—support which on the whole was

[17] Alberto Edwards, *La fronda aristocrática* (Santiago, Chile: Ediciones del pacífico, 1952), pp. 16–17.

[18] Gil, p. 7.

translated into legislation whenever the tariff came up for revision."[19]

The Chilean ruling class used the state to protect its economic interests from external competition throughout a considerable part of the nineteenth century.[20] The close relationship between the elite and the state, the weakness of doctrines espousing individualism and laissez-faire, the idealization of state intervention and the social hierarchy, and the Church's organic view of society—all foreshadowed modern versions of paternal corporatist forms of government. Pike sums up the political philosophy of the Chilean ruling class as follows: "The traditional aristocracy that had triumphed in 1830, that was scarcely challenged in its exercise of power until mid-century, and that continued thereafter to express its aspirations through the Fusion, the National, and the Conservative parties, espoused consistently a social philosophy best described as paternalism. The fundamental belief was that the natural, divinely ordained social order called for the existence of an immobile lower class permanently entrusted with the meaner occupations."[21]

The Catholic Church played an important role in shaping the ideological premises that underlay nineteenth-century Chilean politics. The Church provided the rationale for rule by a few, and encouraged submissiveness by the many. The elite maintained its control over the mass through a mixture of force and Church doctrine. The early leaders in the Chilean

19 Robert M. Will, "The Introduction of Classical Economics into Chile," *Hispanic-American Historical Review*, XLIV, No. 1 (Feb. 1964), 7, 16.

20 Will pointed out: "The specter of neo-mercantilism, with its emphasis on protection and encouragement of domestic industry and on state intervention on the economy, hung heavily over Chile at the dawn of Independence and continued as the dominant influence on economic policy for nearly a quarter of a century. It was the emphasis that late 18th-century Spanish economic thought placed on economic development, education, and improvement of the arts that attracted the attention of newly independent Chileans and contributed to the durability of this body of thought long after the teachings of the classical economists and the champions of economic liberalism were known in Chile." *Ibid.*, pp. 20–21.

21 Frederick Pike, *Chile and the United States, 1880–1962* (Notre Dame, Ind.: University of Notre Dame Press, 1963), p. 21.

government adapted many of the values and ideas promulgated by the Church to their worldly concerns. Pike has described this fusion of religious values and secular concerns:

> Church authorities and their lay partisans in the late 19th century insisted that the only unifying, constructive tradition from which Latin Americans could establish order and achieve progress was the Catholic tradition of colonial times. To depart from it, they contended, would produce chaos and political institutions that were distorted and unnatural because they were not rooted in the past. Diego Portales [the dominant political figure from 1830 to 1837] of Chile was among those controversial statesmen who felt it necessary to preserve the traditional power and influence of the Church as a means of attaining national unity and stability.[22]

The close working relations between Church and state persisted even into the twentieth century, final separation taking place in 1925.

Besides control over and utilization of the government to further its interests, the power of the traditional right rested on the ideological support provided by the Catholic Church. Traditionalism perpetuated by the overlap of ecclesiastical and political authority buttressed the power of the elite while excluding the lower classes from any effective political voice.

The strategy of economic development chosen by the Chilean ruling class in the nineteenth century was one of strengthening traditionalism and authoritarian colonial values as instruments of social control while manipulating state policies to increase commercial profits. However, the elite was less concerned with tradition than it was preoccupied with market considerations. Modernization from above necessitated a thorough adaptation of traditional values to the needs of an expanding commercial-agricultural economy. This was accomplished in Chile by means of the authoritarian political structure established by Portales in the post-independence period. Pike's description of Portales' outlook provides us with an insight into the basis of Chilean political and economic development in this period:

22 Pike, *The Conflict Between Church and State in Latin America* (New York: Knopf, 1964), p. 7.

Portales was a nation-maker along the lines of Alexander Hamilton. . . . He was fervently dedicated to fostering nationwide economic development. And he realized that this goal could not be achieved without political stability. Moreover, he was convinced that to challenge those groups which had since early colonial times exercised power in Chile could lead only to chaos. The traditions of the past, Portales felt, would have to be respected if Chile hoped fully to develop its national potential. The great contribution of Portales to Chile lay precisely in his success in reintroducing and strengthening traditional patterns so as to make possible genuine organic development within the framework of custom.[23]

The Chilean ruling class's third base of power was its control over elections, by which means it secured its power throughout the nineteenth and much of the twentieth century. The elite influenced elections by establishing stringent qualifications for voting. This limited the electorate to those likely to support the policies of one ruling-class faction or another. Another device was to limit electoral competition to parties that supported or did not threaten to change the established pattern of distribution of goods. Also, corruption and bribery on a large scale limited freedom of choice and undermined attempts by less affluent political groups to gain the support of low-income strata.[24]

By the beginning of the twentieth century, when data became available, the pattern had not changed. The percentage of the population who were registered voters reached 5 percent by 1915, and about 20 percent of those did not vote. Out of a population of about three and a half million, only 150,000 persons voted. This meant that about 75,000 citizens could actually determine representation (see Table 29).

The conservative and liberal elites feared mass popular movements and therefore promoted apathy and indifference among the populace. They believed that order and stability defined the good society, and considered mass apathy bene-

23 Pike, *Chile and the US*, p. 11.

24 For an extensive discussion of corruption in Chilean elections see Ricardo Cruz Coke, *Geografía electoral de Chile* (Santiago, Chile: Editorial del pacífico, 1952).

ficial. They regarded the general populace as an ignorant mass incapable of electing representatives capable of guiding state policy. A kind of Prussian-style idealism that glorified the state was combined with a liberal realism that was aware of the benefits of a representative system. The various factions of the elite were allowed to bargain and negotiate over their interests. In brief, the Chilean elite was singularly adept at shaping historical circumstances and institutions to further its own particular interests—chief of which are economic and social stability.

For the first half of the nineteenth century there were no well-defined political parties. Although parties did begin to appear between 1833 and 1890, the president's rule was subject only to the influence of the oligarchy, which broke up into factional groups as its interests dictated. The government was an instrument of the power of the socioeconomic elite, and functioned to strengthen the elite's power. The Montt administration (1851–1861) created the Caja de Crédito Hipotecário, which facilitated loans on farm mortgages. Of little benefit to anyone except the hacendados, this institution financed and encouraged land and commodity speculation. In addition, the old colonial tax, the *diezmo*, was abolished under this administration; a light tax on agricultural production took its place. The dominant sector of the oligarchy, over the objections of the more aesthetic and traditionalistic of their compatriots, established railroads and broke down the system

TABLE 29

VOTING PATTERNS

		Registered Voters		
Year	Population	Number	Percent of Population	Number Voting
1915	3,540,000	185,000	5.2	150,000
1918	3,656,000	342,000	9.6	183,000
1921	3,733,000	383,000	11.6	197,000
1925	3,929,000	302,000	7.7	256,000
1932	4,391,000	465,000	10.6	327,000
1937	4,754,000	475,000	10.0	413,000

of entailed estates that had been reinstituted in 1830. Tax cuts, credits, and increased transportation all contributed to the growing commercialization of Chilean agriculture. The landowners strove to increase profits and to develop foreign trade. The elite developed and exploited the economic resources of the country while resisting popular social and political reforms. Development from above was based on a continuity of colonial institutions and authoritarian social relations.

Contrary to folklore, nineteenth-century Chile was not a static, traditionalistic, "feudal" society. Though improvement of the lot of the masses was hardly perceptible, economic projects were initiated and completed by the more dynamic Presidents.

In the period between 1831 and 1861 agriculture, mining, and commerce increased. The first President after the conservative restoration, General Joaquín Prieto (1831–1837), centralized power (suspending federal regulations) and vigorously suppressed opposition. Finances were stabilized and the army was subordinated to civilian authority. Extra-legal groups (armed groups led by individual landowners or mine-owners) were repressed, and southern Chile was opened for settlement. President Prieto created the political order and economic stability necessary for economic development through the authoritarian structure established by Portales. Under President Bulnés (1841–1851) Chile was settled as far south as Magallanes. German colonists began to develop agriculture in Valdivia. In the northern parts of Chile mineral deposits were discovered and exploited, especially in the Copiapó area.

The process of continuity and development fostered by each successive President was facilitated by the method of selecting Presidents: each appointed his successor.[25]

Montt (1851–1861) built on his predecessors' accomplishments. The relatively effective public administration and the beginnings of economic development already created became

[25] Scott Elliot, p. 208.

the basis for his government's intensive construction program. Though Montt was a rigid and inflexible ruler even by the standards of the time, he was intent on developing the Chilean economy. As a result he hastened the decline in power of the traditional landowners. His government signaled the ascent of the landowning, commercial bourgeoisie. One writer categorically stated, "It can be affirmed that the political history of the aristocratic class formed under Spanish domination ended in the year 1857."[26]

Montt's major accomplishment was the creation of a socio-economic infrastructure. He extended the Santiago-Valparaiso railroad to Quillota and began the Santiago-Talca railroad, as well as building roads and telegraph lines. He provided means and support for the colonization of the southern lands and established more than five hundred schools. He initiated credit banks and tax reforms, and promulgated a new civil code.[27] Montt was an excellent example of the aristocratic modernizer in nineteenth-century Chilean politics. His ability to control the masses in order to develop the economy, to harness the horse of traditionalism to the cart of modernization, was one that recent political factions such as the corporatist wing of the Christian Democratic Party might well envy.

President José Joaquín Pérez (1861–1871) was less dynamic, more a conciliator of the several political forces generated by new developments. Nevertheless, the basic program of expansion and growth continued under his regime. Pérez continued to push the Araucanians out of the south of Chile and to promote colonization. Under the presidency of Federico Errázuriz (1871–1876) railroads were extended southward to Angol, linking the farmers of that region to national and international markets. Higher education, especially in such areas of applied studies as agriculture, was promoted.

Development was further stimulated by Chile's seizure of rich mining areas to the north during the War of the Pacific. Because Chile was more highly developed and better organized, it was in a position to successfully colonize the territory

[26] Amunategui, pp. 341–342.
[27] Poirier, pp. 102–103.

of its weaker neighbors. The valuable minerals dug out of the new land substantially increased the national income and enabled the government to pay off most groups in society. The long-range consequences of the acquisition, however, were not all favorable. Federico Gil noted: "If the mining wealth meant the salvation of the ruling class by assuring its political and economic dominance, it also brought a grave risk—an exaggerated dependence upon foreign markets which was in the future to unbalance Chile's internal economy. In addition it marked the arrival of large foreign investments."[28] As income from the mines began to fill government coffers, the Chilean elite ceased to be a dynamic force. It kept the reins of power, but no longer owned the horse. The low productivity, high income for a few, conspicuous consumption, and authoritarian social relations that emerged in the later half of the nineteenth century were not the products of a "feudal heritage." The decline of domestic "entrepreneurship" was the result of Chile's increased dependence on exports.

The only significant issue dividing the ruling oligarchy was the relationship between church and state. Clerical bodies themselves were great landowners. "Some of the richest of Chilean *haciendas* belonged to these organizations, and the Church held mortgages on many other great properties."[29] Most of the liberals were *hacendados,* and their aim in supporting the move to separate church and state was to reduce the political influence of a small, ultraconservative group. More than a few of the liberal landowners had their eyes on church lands as a means of expanding their agricultural-commercial empires.

CHURCH-STATE CONTROVERSY IN THE NINETEENTH CENTURY

Many important political conflicts and incidents in the nineteenth century concerned the role of the church in Chil-

[28] Federico G. Gil, *The Political System of Chile* (Boston, Mass.: Houghton-Mifflin, 1966), p. 46.
[29] McBride, p. 198.

ean social and political life. Though Chile was nominally a Catholic country, there were strong anticlerical elements in the elite even at the beginning of the century. The interdependence of secular rulers and the ecclesiastical hierarchy was rooted in colonial history: "While the state exercised extensive authority over the Church throughout the colonial period in Ibero-America, clergymen were appointed to the highest political offices. This resulted in an overlapping of ecclesiastical and political authority. It was impossible to know where one branch of authority ended and another began."[30]

The administration of justice is one area in which this conflict over authority is exemplified:

> The administration of temporal justice in colonial Ibero-America extended the overlapping between secular and religious interests, and consequently led to jurisdictional disputes between civil administrators and churchmen. As a special privilege or fuero, the Church was allowed to maintain its own system of courts. The Church insisted that all cases in which ecclesiastical discipline or the actions of churchmen were involved be tried in its own courts. Laymen, fearing they could not always expect impartial justice when dealing with ecclesiastical courts, desired to hail churchmen before civilian tribunals. Consequently, protracted debate often arose over what court enjoyed competence in a particular case.[31]

The church possessed concentrated economic power, control over the educational system, and an efficient administrative apparatus. Because of these resources the church could be a serious threat to any group seeking to expand its power; because of the church's traditionalism, it was such a threat to rising entrepreneurial groups seeking to gain advantage through innovation. An additional source of conflict was the close relationship between the church and colonial power groups. Because the Spanish crown had jurisdiction over the right of nomination to church benefices (among other reasons), churchmen identified with the crown and were hostile to all changes in the colonial system.

[30] Pike, *Conflict between Church and State*, p. 7.
[31] *Ibid.*, p. 8.

Parallel with the growth of modernization was the increasing secularization of Chilean society and the growing attacks on the church and its privileges. The first major conflict between secular authorities and the Catholic hierarchy, the so-called affair of the sacristan, occurred during the presidency of Montt.[32] The outcome was a decision by the Supreme Court favoring civil over ecclesiastical tribunals. Montt backed the Supreme Court's decision to exile the archbishop and refused to permit the legal reestablishment of the Jesuits. His attempt to establish relations with the Vatican more attuned to an independent developing nation was rejected.

Under the pressure of the modernizing forces, President Errázuriz was forced to extend secular reforms. In 1873 he passed two moderate reforms: the clergy were made subject to civil courts, and all sects were allowed freedom of worship. During the presidency of Domingo Santa María, Protestants were allowed to establish their own cemeteries and civil marriages were legalized. With these victories the division between the clerical and anti-clerical sectors of the elite lost their significance. However, it was not until 1925 that provisions for separation of church and state were formally included in the Constitution. Even with this "final victory," the Chilean government, beginning in the late 1940s, has assumed the burden of financing and subsidizing private Catholic schools.

LATE NINETEENTH-CENTURY ATTEMPTS AT REFORM

In 1851 an attempt was made to overthrow the autocratic republic and to liberalize Chilean society by establishing a government based on popular suffrage and protection of individual rights. During the decade preceding the Revolution of 1851, Chilean society had been influenced by new currents. Development of coal mining in 1845, expansion of agricultural production to meet the expanding California market (the California gold rush led to increased demand for agri-

32 Pike, *Chile and the US*, pp. 16–17.

cultural produce and a sharp increase in Chilean exports), and the construction of railway and shipping lines all contributed to the growth of the Chilean economy.

Economic development coincided with the influx of new ideas, especially the democratic and Jacobin ideology of the French Revolution of 1848. In 1849, under the guidance of José Victorina Lastárria, the Reform Club, a liberal group, was organized. As oppositionists in Congress, they undertook to bring about democratic constitutional reform. Because of liberal opposition and public criticism, the Government closed down opposition newspapers and exiled the liberal leaders. After the liberal candidate, General José Maria de la Cruz, was defeated in the 1851 elections, he led an unsuccessful uprising that left 2,000 dead and 1,500 wounded. As the conflict between the liberals and the conservatives over political and constitutional reform continued, a more radical egalitarian movement developed—the Society of Equals. Santiago Arcos and Francisco Bilbao, the organizers of this association, were both interested in displacing the landed elite. Egalitarians in theory, they began to create a "grass roots" democratic movement in order to achieve their reforms. In its brief seven months of existence, the Society mobilized hundreds of workers and artisans of the capital and brought them into contact with social and political doctrines through debates on national issues, open-air meetings, and night schools. The Government was hostile to these activities, and in November of that year the Society, which had increased its membership to 4,000, was proscribed.[33] Bilbao emphasized the rights of the people against the autocratic government; Arcos, analyzing the socioeconomic basis of power, advocated an egalitarian land reform as the means to a democratic society. The Society of Equals, grounded on Jacobin, utopian socialist, and populist ideas, was the left wing of the liberal-led revolution of 1851. The main leadership of the revolution was composed of dissident liberals who were themselves of

[33] Hernán Ramirez Necochea, *Historia del movimiento obrero en Chile, siglo XIX* (Santiago, Chile: Editorial austral, n.d.), p. 81.

upper-class background, some of them landowners. For the most part the laboring classes did not participate in the revolution. The entrenched conservatives preserved their control of political power. The majority of the liberal reformers tried to establish democratic institutions from above, just as the traditional groups ruled from above. That the revolution took place is indicative of growing social differentiation,[34] the conflicts engendered by societal development, and the relative rigidity of the ruling class in the face of change. Its failure can be ascribed to unfavorable political and social conditions: though the radical wing of the liberal-democratic forces sought popular support, it was not a mass revolution; the result was determined by one battle between two generals and their troops.

A similar revolution broke out in 1859. During 1858 some well-to-do mine owners and several liberals held meetings demanding a popularly elected constitutional assembly to replace the landowner-dominated congress. A state of siege was declared by the executive authorities, and an insurrection began shortly thereafter. The insurrection was easily put down in most areas, but in Copiapó Pedro Leon Gallo, a rich mine owner with a personally financed army of more than a thousand men, defeated the government forces and occupied La Serena. Subsequently, reinforced government troops defeated Gallo's army.

During the greater part of the nineteenth century there were essentially only two classes in Chile: the landed proprietors and the agricultural laborers. Throughout the early and middle nineteenth century the manufacturing and white-collar middle class was small and inert, with little influence. As in the eighteenth century, the few large commercial-industrial families made their way into oligarchy rather than fighting it. "Many of the miners and businessmen who made

34 The development of diverse social interests among old elites (for example, landowners becoming interested in commercial endeavors and political liberalism), and the emergence of new social groups (a small educated middle class and an urban artisan population) can be viewed as indicators of social differentiation.

quick fortunes invested in *haciendas* and joined, in community of economic interests at least, the upper class."[35] By the 1880s the liberals attained their secularization reforms: civil marriage, civil registration of births and deaths, and lay control of certain cemeteries. One author has written that President Domingo Santa Maria (a leading member of the Liberal Alliance) was an "exponent of political authoritarianism and religious liberalism, the essence of [Chilean] liberal thought of the time."[36] Most of the Church issues were settled by the end of Santa Maria's term of office (1886). The Liberals were left with few or no issues separating them from the Conservatives. Internally the Liberals were badly divided, with hardly any objectives that could unite personal factions and overcome personal ambitions. When confronted by any threat to their economic interests, Conservatives and Liberals united to repress the opposition. For example, during 1876 a severe economic crisis provoked demonstrations demanding relief for the poor. Confronted with a tense situation the Conservatives and Liberals called a temporary truce and vigorously put down the protest. Though the lower classes took little part in the early quests for reform, an embryonic class consciousness began to emerge in the form of economic struggles. By 1870 the first poorly organized strikes occurred.

The principal function of nineteenth-century Chilean parliamentary institutions and political parties was to expand and sustain the interests of the large agrarian holdings. The state faithfully suppressed uprisings that might have provided a more diffuse socioeconomic basis for political participation. Reformers, Liberals, and Conservatives all viewed the masses as inert and ignorant, to be manipulated or directed at best. The Conservatives aimed at keeping the masses in "their place." Liberals and reformers hoped that the evolution of society would eventually enable the lower classes to attain education, opportunity, and economic betterment. Political representatives spoke "in the name of the people," but feared to

[35] McBride, p. 204.
[36] Gil, *Genesis and Modernization*, p. 13.

permit the people self-expression, especially in the form of independent mass organizations capable of bettering their conditions. The laboring classes, without formal education, tied to the land, and under constant surveillance by the landowner, were hardly able to differentiate their interests from the landowner's. By submitting to his leadership they perpetuated their subordination.

The continuity of the traditional ruling group before and after independence, and the utilization of the representative political institutions to serve a specific socioeconomic class, conditioned Chilean political behavior in the twentieth century. To a considerable degree, representative political institutions became agencies for the transaction of business by the elite; the political structure was forged into a mechanism for maintaining the elite's power and wealth.

The relative "openness" of the landholding elite and the willingness of the bourgeoisie to integrate itself into the aristocracy account in large part for the elite's continued political dominance. The eighteenth-century Chilean bourgeoisie merged with the original landholders and set a precedent for the absorption of significant sectors of the nineteenth-century bourgeoisie. At the top, class distinctions blended; thus there was no sharp conflict between the emerging capitalist groups and the old landholders. Never forced into combat with the traditional landholders, the Chilean bourgeoisie never had reason to champion the cause of the large rural population. To have done so would have set the capitalists at odds with many of the nouveau bourgeoisie who themselves were becoming, or had become, landed aristocrats, and thus would have endangered the old bourgeoisie's own status. Parliamentarianism was not the product of the development of popular demands from below, but quite the opposite; it stemmed from growing differentiation within the ruling class. The Liberal Party, the vehicle for economic and social hegemony of the rising bourgeoisie, quickly exhausted itself by the end of the nineteenth century through its victory on the issue of separation of church and state. Henceforth emergent groups

that felt socially and economically restricted by the domination of the oligarchy had to seek political allies among social groups other than those that up to that time had dominated political life.

In the last decade of the nineteenth century an attempt was made to create the basis for national industrial economic development and a more democratic representative government. Don José Manuel Balmaceda attempted during his presidency (1886–1891) to create a basis for national industrial development and more democratic government, in accordance with his theory that "the State ought to intervene in the development of a powerful and modern economy in the interests of the collectivity, for the whole nation."[37] One author regarded Balmaceda as a bourgeois revolutionary: "The uneven state of Chilean development . . . might [have] characterized [him] as the defender of the non-existent middle class in the effort to promote a bourgeois revolution on the European model."[38] But though a small, emergent, industrial-capitalist class did exist, it was not destined to play the role its counterpart in some Western countries did during an earlier period. Balmaceda endeavored to end currency depreciation, parcel out land to small holders, and curtail the growing influence of foreign investments. Through these actions he provoked the "violent opposition of the latifundistas and exporters on the one hand, and on the other, the hostility of the influential foreign nitrate interests."[39] During Balmaceda's term of office "state funds (were) applied to the construction of lycees and schools . . . of railways, of bridges, of docks and of ports . . . ."[40] His decision to intervene against the issuance of cheap money, and his support of strikers in Iquique in July 1890, aroused further opposition that finally led to the organization of a

[37] César Jobet, p. 76.

[38] Kalman Silvert, "The Chilean Development Corporation" (unpublished Ph.D. dissertation, Department of Political Science, University of Pennsylvania, Philadelphia, Penn., 1948), p. 21.

[39] Gil, *op. cit.*, p. 16.

[40] Silvert, *op. cit.*, p. 22.

"revolutionary" junta. The junta represented the landholding oligarchy, large commercial interests, and some sections of the Chilean middle class, financially backed by large foreign investors.[41] The National, Radical, Conservative, and Liberal parties united to promote parliamentary supremacy against executive domination. Balmaceda was supported by a Liberal-Party minority that called itself the Liberal Democrats, and a majority of the middle-class Democratic Party.

In fact, however, Balmaceda faced the crisis almost alone. He did not organize a popular political party based on the reforms he advocated, nor clarify the issues over which the struggle was taking place, nor point out to the lower classes the reactionary nature of the "revolution" the oligarchical leaders were preparing. As a result, neither Balmaceda nor the insurrectionists received support from the people, who generally remained apathetic.[42] At the time of the rebellion Balmaceda depended on the army, which remained attached to him. He recruited soldiers by requisitioning peasants from the work force. He declared the country in a state of siege and offered large sums of money to important opponents if they would surrender. To carry on the war he printed paper money, confiscated animals and equipment from the *fundos* of his enemies, deprived hostile functionaries of their positions (jailing those he considered most dangerous), and called for a new Congress to assemble. Balmaceda fought the rebellion with a military rather than a political strategy, and he lost. The landowners, the mining interests, and the great commercial and banking groups returned to power and established a parliamentary government. The oligarchy wielded power through a diffuse parliament, rather than as previously, through a strong executive. This political change reflected the differentiation growing within the elite.[43] Decentralization of the

41 César Jobet, pp. 93, 101.

42 *Ibid.*, p. 101.

43 Diffuse oligarchial rule was characterized by several features. The executive was weak; power resided in Congress, where it was divided between various factions. Political struggles were dominated by traditional groups, but new entrepreneural groups and a middle class began to take an active role. Parties

government strengthened the power of the *latifundista* in the rural areas, and prevented state regulation of the developing industrial and commercial groups.

Balmaceda's failure to defeat the landowning elite (and to effect the reforms necessary for the modernization of Chilean society) resulted from the political, social, and economic weakness of the industrial-capitalist sector in Chilean society. Integration of Chilean mining and commercial interests into the traditional oligarchy further lessened support for Balmaceda's attempt to industrialize the country. Balmaceda also failed because he tried to carry out a capitalist-democratic reform program from above, without mobilizing popular forces. He may have been somewhat wary, fearing that were he to do so, the reforms would be carried beyond the limits he had envisioned.

Revenue from the nitrate fields helped perpetuate the landholding class, and its political, economic, and social domination. A US scholar of an earlier period noted that "The vast incomes from the nitrate fields of the north provided during much of the period more than half of the government revenue and made possible extravagant public expenditures which resulted chiefly to the benefit of those influential in government circles and members of their families. . . ."[44] Taxes on the landed property of the latifundistas were eliminated or greatly reduced. Ascendancy of foreign investment in the mining enterprises, coupled with the continued hegemony of the latifundistas when Chilean industry was still in its "infant" stage, prevented not only accumulation of capital for an expanding industrial base, but also the growth of social forces capable of displacing the traditional groups and providing leadership for the disinherited urban and rural populace. The alliance of the oligarchy and the foreign investors created

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crystallized around social groups, though the bulk of the population was still excluded from political life. Separation of Church and State and other religious questions were no longer focal points of political conflict; the major political questions were popular suffrage and individual rights, with an undertone of concern for social reform.

44 McBride, p. 208.

Chile's complete dependence on foreign markets. This dependence in turn distorted internal development: the extractive industries towered over the rest of the economy, and no serious effort was made to promote development oriented toward expanding the internal market.

The oligarchy gradually transformed itself "into a plutocracy, as the commercial and industrial bourgeoisie continued to swell its ranks . . . . The prosperity brought by nitrate and copper replaced its frugal and orderly manner of living with habits of luxury and idleness."[45]

THE RIGHT WING IN THE TWENTIETH CENTURY

In the period between 1890 and 1920 representatives of the traditional elite were divided into four parties: Conservative, Liberal, National, and Liberal-Democratic. The Conservative party defended the privileged status of agricultural and banking interests, and of the Catholic Church. The conservatives' rigid control of the inquilinos of the great fundos was aided ideologically by the Church's exhortations to the populace for "discipline and order," which brought the party appreciable political support from the middle and lower class. In Parliament the conservatives opposed almost all legislation that might have promoted a more liberal or democratic society.[46]

The Liberal party defended the interests of the mine-owners, businessmen, industrialists, and large landowners. Despite their quarrels with the conservatives, the liberals offered only a weak defense of secularism and public education. On social and economic policy they generally agreed with the conservatives. Because the Liberal party was split into three or four factions (based on personal rivalries and ambitions) it was not unusual to find one faction or another allied with the Conservative or Radical parties.

The National party generally represented the upper bureaucracy and the banking, commercial, and industrialist

[45] Gil, *op. cit.*, p. 19.
[46] César Jobet, p. 125.

groups. At first strongly secularist, it later joined the Liberal-Conservative coalition under the banner of congressional government with the executive dependent on congress. The Liberal-Democratic party, claiming to follow the precepts of Balmaceda, was composed of a motley collection of landowners, middle-class provincials, and professional politicians, who were united by their desire to take office.

The National and Liberal-Democratic parties merged with the two major parties, the Liberal and Conservative. These two parties continued to strongly influence government policy through the 1920s and 1930s despite the important role that new middle-class political coalitions played in electing the President during that period.

Throughout the 1920s and 1930s the hacienda remained intact, and with it the power of the right-wing political parties. Aware of their social base of power, the landowners gave considerable thought to the problem of maintaining the rigid hierarchical system. That there was much conscious deliberation over means and methods of social control is obvious in the minutes and articles published in *El Campesino*, the organ of the large landowners. The following excerpt from an article describing "Subversive Propaganda in the Countryside and the Means of Combating It" was typical of the landowners' approach during the labor upsurge of the 1930s.

> Motivated by the public alarm, sustained primarily among the landowners, because of the bloody events that were witnessed at Alto Bio-Bio the Executive Council of the National Farmers Society (SNA) is . . . studying means of counter-acting this propaganda . . . . Among other agreements taken is [one] to establish a section that studies and coordinates action . . . . The Executive Council of the SNA in its last session agreed to send to all the agricultural institutions of the country [a circular] expressing the desirablity of maintaining a tight unity to the end of fighting the . . . propaganda of a Marxist or Communist character . . . .
>
> To this effect it is considered of great importance that on specific dates conferences of a technical and social character to be given to the employees, *inquilinos*, and agricultural workers, in which themes are developed of such a nature that at times instruct

and point out the grave dangers proceeding from the triumph and appreciation of those dissolute doctrines. Such conferences could be carried on effectively in the principal *fundos* of the zone. . . . In addition, taking into consideration, through the experiences received in the last incident . . . that in some rural schools there are teachers frankly mixed up in these campaigns, the Executive Council considers it indispensible that each member of the farmers' society denounce . . . all subversive acts . . . to the end of taking opportune and efficient measures in order to put an end to such activities.[47]

Foreign investment continued to control most of the mining industry in the early part of the twentieth century. Chilean industry remained weak, and the economy remained almost completely dependent on the export of mineral products for foreign exchange.

Parliamentary government between 1891–1920 did little or nothing to improve the lower classes. The first middle-class coalition government, Alessandri's, was more interested in maintaining office than in carrying out a socioeconomic reform program against the resistance of the traditional elite. Alessandri adjusted his policies to the existing social and economic patterns; in the end, his reforms turned out to be minimal. The second Alessandri government (1932–1938) proved to be strictly conservative, the last such government until the elections of 1958. In the interim a series of popular-front governments attempted with limited success to industrialize and modernize Chile.

In 1938, with the victory of the Popular Front, the political axis definitely shifted from the traditional land-based right wing to the urban middle class. However, the right-wing parties and traditional elites continued to control the countryside. They strongly influenced Congress, and, through the conservative wing of the Radical party, the Presidency. Though they lost direct control over the Presidency for two decades, they had strong veto power over any proposal that might have affected their extensive economic interests and social prerogatives. More important, however, was their in-

[47] *El Campesino*, LXVI, No. 8 (Santiago, Chile: Aug. 1934), 371–372.

fluence on legislation. The elite, through the right-wing parties, successfully managed to emasculate reform measures containing potential for structural change from insurgents, generally by masterful use of the "insider" approach to blocking legislation. For example, during the first years of the Popular Front, when a government agency to promote industrial development was being discussed, the Right, including many so-called "traditionalists," did not oppose state-promoted enterprise per se. What concerned the Right was who would control this institution, and thus decide how it would function in relation to private enterprise. The Right, not taken in by its own "free-enterprise" ideology, agreed to formal declarations about property serving a social function. It acquiesced in state financing and establishment of enterprises because of the Development Corporation's policy of not competing with private enterprise and of eventually selling risk-free enterprises to private investors. The State Development Corporation did not challenge the old elite, but instead provided profitable opportunities for investment of their capital. Carried away by the rhetoric of "planning" and "state-directed enterprise," the Popular Front actually gave new life to its old foes.

Though the traditional oligarchy did not "rule" Chile between 1938 and 1958 it did limit the scope of action of the left-center coalitions that elected the president. The relationship between the middle-class parties and the traditional Right was "transactional," not one of conflict. In exchange for the opportunity to promote industrial development, the middle class left the landed estates intact.

Discussing the conservative bias in the Chilean industrialization effort, Felix writes that industrialization "was an attempt to restore sufficient growth to the economy to allow the demands of wage-salary classes to be met while safeguarding the propertied classes. . . . Thus the parties of the oligarchy . . . rather quickly accepted the industrialization objective and indeed began to incorporate within their fold the majority of

the newly emerging industrial class, many of whom had family and business connections with the aristocracy or aspired to admittance to its somewhat elastic ranks."[48] The transactional style of politics continued until import-substitution as a means to development was exhausted and the growing economic stagnation of the countryside began to affect the populace. Unable to cope with the demands of the populace or to dynamize the economy, the old middle-class and right-wing parties began to lose mass support.

In the post-Popular-Front period, there was a strong but temporary resurgence of the traditional Right that led to the election of Jorge Alessandri in 1958. During his presidency a coalition of the Liberal, Conservative, and Radical parties called the Democratic Front was formed. By the middle of Jorge Alessandri's term of office a new reformist mood was emerging among the electorate, which polarized around the Socialist-Communist alliance (FRAP) and the Christian Democratic Party (PDC). A large sector of the Right turned to the PDC. Applying their "insider" strategy, the conservatives sought to limit change while countering the socialist threat.

SOCIAL COMPOSITION OF CHILEAN PARTIES

Given the divergent and conflicting orientation of twentieth-century Chilean parties, one would expect the social background of party leaders to reflect their party's political perspective and the larger conflicts in society. The expectation is valid: the more traditional conservative parties draw their leaders from the landowning and business strata; the moderate parties from the urban middle strata, especially the professions; and the leftist parties from the lower-status urban groups.

An analysis of the education and occupation of parliamentarians drawn from four major parties (Conservative, Liberal,

[48] Felix, p. 315. For a more detailed examination of the Chilean political elite's relation to the industrialization effort, see Silvert, *op. cit.*

Radical, and Socialist) sheds some light on the process by which the Chilean political system selects aspirants for political office.[49]

The level of education among parliamentarians is far above average. The proportion who attended the university varies from 40 percent for the Socialist Party to 78 percent for the Conservative Party, compared to less than 1 percent for the general population. The more conservative groups (Liberals and Conservatives) tend to have a higher proportion of university-educated congressmen than do the Socialists, who draw their support from lower-status groups.

The more traditional the orientation of the party, and the stronger its identification with the landowning elite, the more exclusive the group from which its political leaders are recruited. An examination of the type of education congressmen from different parties received tends to bear this out. 78 percent of the leaders of the Conservative Party, and 25 percent of those of the more "secular" Liberal Party, have received private education and training. The Radical and Socialist leaders are 100-percent publicly educated. As one would expect, the overwhelming majority of university-trained parliamentarians received law degrees; the legal profession is the major avenue for a political career. (This may be related to

TABLE 30

EDUCATION OF PARTY LEADERS
(percent)

Level of Education	Conservatives	Liberals		Radicals	Socialists
University	78	58	70.5	77	40
Nonuniversity higher education	0	12.5		0	0
Secondary	22	29.5		23	40
Primary	0	0		0	20

[49] I would like to thank German Urzua Valenzuela for allowing me to use his data, which will appear in a study titled *Las fuerzas políticas en Chile.* A useful table, prepared by Professor Urzua Valenzuela, on the social origins of Socialist party congressmen appeared in "Ensayos de insurgencia en Chile," *Boletín Chileno de Ciencias Políticas,* No. 14.

the overcrowdedness of the profession, which causes many to seek other remunerative occupations, such as politics.) The only other fields in which significant numbers of Congressmen have degrees are medicine, teaching, veterinary and agronomical studies, and military science.

There are significant differences among the occupations of party leaders. The more traditional the party, the higher the proportion of congressmen whose primary occupation is agriculture. The Radical party and Socialist party, whose members are largely drawn from lower-status groups, tend to have a higher proportion of leaders who devote themselves principally to their political career. One might expect that as the traditional parties decline, there will be an increasing tendency for politics to become a vocation.

In summary, the Conservative congressmen tend to be from the traditional elite, educated in private religious schools, trained as lawyers, and working as landowners; the Liberals from both elite and public schools, both landowners and urban-occupational groups. The Radicals are generally individuals from the public schools who advance from a university education to a professional career; a significant proportion push on to business and even agricultural activities. The Socialists draw exclusively from public schools; they are em-

TABLE 31

OCCUPATION OF POLITICAL LEADERS
(percent)

Principal Occupation	Conservatives	Liberals	Radicals	Socialists
Politics	22	46	68	67
Agriculture	67	38	6.5	7
Worker	0	0	0	20
Law	0	8	0	0
Education	0	4	13	0
Business	0	4	3	0
Doctor	0	0	6.5	0
Other profession	11	0	3	0
No data	0	0	0	6
	100	100	100	100

ployees, teachers, and workers, and develop political skills less through the university than through trade-union or voluntary associations.

THE RETURN OF THE RIGHT, 1959–1964

When Alessandri came to power in 1958, he introduced orthodox economic methods for achieving monetary stability. His policies were concerned with price-wage stability, the elimination of superfluous imports, and rigorous fiscal economies. He opposed any increase in state economic activity until the country regained economic balance. To overcome stagnation and inflation he relied on savings resulting from a rational administrative reorganization, a more effective tax-collection system, and increased private investment. State economic activity was confined to traditional state functions and to enterprises the private sector was unwilling to undertake.[50] Alessandri's developmental approach was to create an economic climate favorable to investment in order to attract private domestic and foreign capital.

Alessandri's government realized its objective of balancing the budget in 1959, but inflation continued, raising the cost of living 38 percent. The government initially offered a 10-percent salary and wage increase, but soon raised it to 15 percent.[51] But the increase was not enough; in March 1960 a general strike was called by the CUTCH (National Confederation of Chilean Workers), in which 50,000 to 140,000 workers participated.[52] In line with the government's policy of encouraging foreign investment, new regulations were made permitting capital of foreign concerns to enter the country as foreign currency. Customs duties were lifted on all imports of machinery for new industries that would use at least 80 percent domestic raw materials, for industries producing export goods, and for industries producing national necessities.[53]

[50] Gil, *Political System of Chile*, p. 490.
[51] *Hispanic-American Report*, XIII (Mar. 1960), 52.
[52] *Hispanic-American Report*, XIII (May 1960), 201.
[53] *Hispanic-American Report*, XIII (June 1960), 269.

Alessandri's economic policy continued to depend on copper exports, which financed 75 percent of the budget.

In 1962 the cost of living increased 27.7 percent over 1961. The escudo, which was to be held at a parity with the dollar, was again devalued in January 1963, from 1.05 to 1.75 escudos to the dollar. Though monetary stability was not achieved during 1961–1962, there was substantial industrial growth. However, the positive trade balance of 1959 was followed by an imbalance of $85 million and a payment deficit of at least $100 million in 1961. Chile's foreign debt rose to $907 million in 1961. Foreign exchange reserves plummeted from $89.5 million in 1959 to $6.7 million in September 1962. Capital flight took on panic proportions; more than 60 percent of the dollar deposits in Chilean banks were withdrawn in the first half of 1962. Between January 1959 and September 1962 the cost of living rose a total of 61 percent.[54] Social conditions and land tenure have not changed. Alessandri's 1962 agrarian reform, similar to the colonization schemes of Bernardo O'Higgins, was hailed during Alessandri's visit to Washington in 1962 is "progress through prudence."[55] Old administrative machinery was given a new name, *Corporación de Reforma Agraria* (CORA), and set in motion with hopes of distributing 6,876 units in 1963. Even had it been implemented (it was not), this program would still have left several hundred thousand workers landless. The new legislation was no threat to the large landowners.

The tax structure remained static: until 1964, land was taxed at three percent of its assessed value, which was 125 percent below its real value.[56] Overall, the tax structure was becoming more regressive, thus placing another burden on the lower classes. A Christian Democrat revealed that in 1943, 51 percent of Chile's taxes were direct and 48 percent indirect;

54 *Hispanic-American Report*, XV (Dec. 1962), 947.

55 "The Atlantic Report: Chile," *Atlantic*, XXI (Jan. 1963), 20–23. J. Becket and K. D. Griffin, "Revolution in Chile?" *The New Republic*, CXLVII (Dec. 29, 1962), 10.

56 Alvin Cohen, *Economic Change in Chile, 1929–1959* (Gainesville, Fla.: University of Florida Press, 1960), p. 37.

but in 1962, 35 percent were direct and 65 percent indirect.[57]

The policies of Alessandri and the Democratic Front (1958–1964) did not strengthen the bargaining position of labor, nor improve the low living-standards of the working class. In the 1960s the labor movement still faced many of the problems it had in the 1950s. Industrialization and encouragement of new investment modernized plants and equipment, and the new productive processes did not create enough new jobs to absorb the unemployed. Between 1957 and 1960, a rise in production of 15 percent added little more than one percent to employment; during the same period, the level of real wages declined slightly. In the extractive industries, unemployment increased between 1953 and 1960. In some northern mining areas, unemployment was as high as 33 percent of the labor force.[58] The decline in employment occurred partly as a result of substantial investments of US capital in modernizing mining operations. In Santiago, unemployment was as high as 8 percent in 1959, and 10 percent to 15 percent more of the work force was on short time, working less than 30 hours a week (average work week is 50 hours). In the construction trades, unemployment rose to 19 percent in 1960.

Working-class organizations that might have played a role in changing this situation continued to be hampered by the law and government policy. The government has intervened more and more often in deciding wages through a succession of wage-adjustment laws. Beginning in 1956, the government limited the percentage increase in salaries and wages that would be permitted within a stated period of time.[59] This was accomplished without formal suspension of bargaining procedures or existing labor contracts.

The inability of the Democratic Front to fashion a new

[57] *Hispanic-American Report*, XV (Feb. 1963), 1146. Since 1962, especially under the Frei government, an income tax has been more-or-less effectively applied, and apparently has cut into the income of the salaried middle class, if not that of the upper-income groups.

[58] United States Department of Labor, Bureau of Labor Statistics, *Labor in Chile* (Washington: Government Printing Office, May 1962), pp. 13, 16, 21.

[59] *Ibid.*, p. 16.

coalition and to present a viable alternative to the Left can in part be traced to the social composition and orientation of its leadership. Emerging agrarian radicalism and growing demands for rural reform found no sympathy among the old leaders. Many were landholders or had pretensions in that direction. The practical alternative of co-opting the rural upsurge to forge an urban-peasant coalition was taken up not by the Radicals, but by the electorally successful Christian Democrats and by the FRAP. Typical of the attitude of the newly radicalized peasant toward the political parties of the Democratic Front was this interview in the Chilean weekly *Ercilla* with an Indian arrested during an invasion of a fundo. *Ercilla* noted: "Reinaldo Vasquez Huenchupil, married and with five children, replied to the accusation that he was a Communist: 'It is true. The majority of us belong to the Communist Party. And what do you you expect us to do? They are the only ones that help us even if at times they use us—as some people put it—as instruments for the Party's interests. The owners of the fundos are Liberals, Conservatives and Radicals. To whom are we to turn?' "[60] The Democratic Front was unable to manipulate rural radicalism because the Front was considered to be allied with the exploiting groups. The "outsider's strategy" of the Christian Democrats was successful in capturing the support of both the lower-class insurgents and the moderates in the middle.

The 1963 municipal elections indicated a gradual shift to the Left among the electorate. Between 1960 and 1963 three major blocs emerged, the splinter parties were largely eliminated, and the Christian-Democratic Party became a major contender for power. The PDC's appeal was largely based on its refusal to ally with traditional parties and on its support for popular measures such as agrarian reform. The younger generation of the middle class, and those middle-class elements who had not benefited from earlier development, turned away from the Democratic Front toward the Christian Democrats and the FRAP. Some members of the Radical Party, especially

[60] *Ercilla*, Mar. 9, 1962, p. 4.

the younger ones, felt that the Party "sold out" by formally aligning itself with the Liberals and Conservatives.[61]

THE COLLAPSE OF THE RIGHT

In 1949, 1958, and 1962, electoral reforms were instituted that, by making it more difficult for the elite to limit the electorate and manipulate voting procedures, accelerated the decline of the traditional right-wing parties.

Until 1938, and for a decade thereafter, only about 10 percent of the population was registered to vote, and only 65 to 89 percent of them actually voted. Despite the tradition of constitutional parliamentary government, representatives were elected by a fraction of the adult population. The first significant change occurred in 1949, when women were enfranchised. Ironically, but not unexpectedly, the immediate beneficiaries were the traditional conservative parties. By the beginning of the next decade, however, most women voters were casting their votes for the Christian Democrats and the Left. The percentage of the population that was registered to vote increased from a little over 10 percent in 1949 to 19 percent in 1957. As the people began, more and more, to demand socioeconomic change, the leftist and centrist parties pressed for reform of the issuance of private ballots, an especially odious form of electoral manipulation that benefited the right-wing parties, specially in the countryside. Previously there was no uniform ballot, each party having its own ballot. By observing the party description of the ballot each peasant selected, the landowner could reward or punish the voter for his choice. By the late 1950s peasant unrest was increasing, and the leftist and reform forces seized the opportunity to transform discontent into electoral power. In 1958, a coalition of leftist and centrist parties passed legislation providing for a single ballot issued by the State. By largely eliminating the owners' control of the peasant vote, this reform contributed to the sharp increase in rural support for the Left. The reform,

[61] *Hispanic-American Report*, XV (Feb. 1963), 1144.

combined with the increasing politicization of the lower class and the growing demand for social change, resulted in another substantial increase in registered voters: from 21.5 percent of the population in 1958 to 25 percent in 1961.[62]

As new voters were brought into political life, other electoral reforms were introduced that further accelerated the process of creating a mass electorate. A major revision of the electoral code, in 1962, strengthened penalties for nonregistration and established permanent voting lists.[63] Voting became a legal right and a legal duty for most adults, but about one-fifth of the adult population (and about one-third of the lower class) were still prohibited from voting by the literacy clause.

Under the new provisions:

> Registration and voting are compulsory for those who are eligible. An eligible voter is subject to a prison term of up to 60 days (computable to one-half an escudo a day) if he fails to register. His failure to vote makes him subject to a similar sentence and the loss of citizenship for a period ten times as long as the prison term. Proof of registration, but not of voting, must be presented in order to transact business with banks, credit institutions, and all government agencies.[64]

Increased participation in elections coincided, especially in the period after 1958, with a sharp decline in right-wing political power (see Table 32). As the lower classes became politically active and aware, candidates who spoke of social reform and economic development replaced the defenders of the old order.

As the presidential elections of 1964 approached, the growing radicalization of the electorate became evident. In a by-election in rural Curicó province, the Democratic Front and its presidential candidate, Durán, campaigned for a local

62 The legalization of the Communist Party in 1958 created another active force promoting greater popular participation in elections.

63 Previous legislation permitted the registration of voters for only two hours a day during the first eight days of each month; moreover, the registration proceedings were slow and did not stimulate citizens to register. Cruz Coke, pp. 60–61.

64 Operations and Policy Research, Inc., *Chile Election Factbook* (Washington: Institute for the Comparative Study of Political Systems, 1965), p. 14.

TABLE 32

REGISTRATION AND VOTING IN CHILE 1938–1963[a]

Year	Type of Election	Population	Registered Voters	Percent of Population Registered	Votes Cast	Percent Registered Who Voted	Percent Population Who Voted
1938	Presidential	4,844,666	503,871	10.40	443,888	88.10	9.16
1941	Municipal	5,050,099	700,143	13.86	488,904	69.83	9.68
	Congressional	5,050,099	575,625	11.40	450,248	78.22	8.92
1942	Presidential	5,096,579	581,343	11.41	466,507	80.25	9.15
1944	Municipal	5,295,779	765,092	14.45	498,434	65.15	9.41
1945	Congressional	5,368,819	641,495	11.95	449,930	70.14	8.38
1946	Presidential	5,488,339	631,257	11.50	479,310	75.93	8.73
1947	Municipal	5,534,819	657,485	11.88	552,034	83.96	9.97
1949	Congressional	5,687,539	591,994	10.41	470,376	79.46	8.27
1950	Municipal	5,773,859	833,460	14.44	619,724	74.36	10.73
1952	Presidential	6,001,275	1,105,029	18.41	957,102	86.61	15.95
1953	Municipal	6,083,211	1,106,709	18.19	759,379	68.62	12.48
	Congressional	6,083,211	1,100,027	18.08	786,811	71.53	12.93
1956	Municipal	6,588,483	1,184,882	17.98	731,449	61.73	11.10
1957	Congressional	6,738,699	1,284,154	19.06	878,229	68.39	13.03
1958	Presidential	6,984,507	1,497,902	21.45	1,250,350	83.47	17.90
1960	Municipal	7,243,971	1,769,681	24.43	1,229,503	69.48	16.97
1961	Congressional	7,394,187	1,858,980	25.14	1,385,676	74.54	18.74
1963	Municipal	7,735,990	2,570,291	33.2	2,070,188	80.54	26.76

[a] From Chile Election Factbook. Population based on 1940, 1952, and 1960 censuses, extrapolated to the month of the election based on estimated rate of growth.

candidate who was expected to win easily. His defeat by a FRAP candidate (who received 39 percent of the vote, compared to Duran's 32 percent and the PDC candidate's 27 percent) was a shock. Halfway through the presidential campaign the Right realized that in a three-way race the FRAP would probably win. Conservatives and Liberals thus joined forces in support of Frei as a lesser evil. The Radicals split three ways: some for Allende, others for Frei, and others Durán. Durán stayed in the race, hoping to get enough votes to throw the election into Congress, where the Radicals could bargain for posts in the government.

Dwindling popular support for the traditional rightist parties in recent years can be seen in results of presidential elections since the early 1950s. Between 1952 and 1958, the parties that eventually coalesced into the Democratic Front were supported by almost half the electorate; in 1964, the remnants of the Democratic Front got but five percent of the vote.

TABLE 33

SUPPORT FOR RIGHT-WING PRESIDENTIAL CANDIDATES, 1952–1964[a]

Year	Candidates	Percent of Vote	Right-Wing Total
1952	Allende	5.4	
	Ibáñez	46.8	
	Matte Larrain	27.8	47.8
	Alfonso Bárrios	20.0	
1958	Alessandri	31.6	47.1
	Bossay	15.5	
	Allende	28.9	
	Frei	20.7	
1964	Frei	56.1	
	Allende	38.9	
	Durán	5.0	5.0

[a] Data gathered at the *Registro Electoral*, Santiago, Chile.

An important cause of the downfall of the Right was the changing social structure. The growth of an urban working class, the movement of rural workers to the city, and the increase in the number of industrial and white-collar workers were trends turned to political capital by the leftist parties.

In Congressional elections, the Democratic Front's support dropped precipitously, from 85 deputies elected in 1961 to 30 in 1965. The more conservative parties in the Front, the Liberals and Conservatives, dropped from 45 deputies to nine. The 1965 elections nearly eliminated both parties' Congressional power. As a result, the Democratic Front was practically defunct: the Liberals, the Conservatives, and the far Right merged to form the new National Party; and the Radical Party attempted alternately to join forces with the FRAP and the PDC.

During the first years of the Frei government the Right was divided. One sector attempted to collaborate with Frei and the conservative wing of the Christian Democratic government in hopes of limiting change through negotiation. Another sector adopted an obstructionist strategy, opposing the government's program to the extent that it joined with the FRAP to defeat issues on which the government is committed. This strategy's presumed objective is to engender popular disillusionment with the PDC, which will hopefully provoke a turn toward the Right. But the absence of popular support and the lack of a positive program for winning it, combined with the growing mood of reform, were hardly promising for the *momias*—the mummies, as the traditional

TABLE 34

CONGRESSIONAL ELECTIONS, 1961 AND 1965

	1961	1965
Christian Democrats	23	82
Socialist-Communist	27	32
Radical	40	21
Liberal	27	6
Conservative	18	3

right-wing parties are now commonly referred to in Chile. During the first two years of Frei's government the right wing did not seem to be an independent political force capable of competing in the electoral arena; it seemed, indeed, to be a mummy waiting to be buried. The economic elite's political interests were linked to the Christian-Democratic Party. By the middle of 1968, however, considerable opposition to the policies of the Frei government was evident. Wage and salary freezes, inflation, taxes, and shortages of consumer goods have alienated large sectors of the urban middle and lower class. The right wing has once again come to life. The National Party is attempting to win back these discontented social forces with an aggressive campaign against the Christian Democrats. Under the leadership of Senator Pedro Ibáñez the right wing hopes to win the support of the disenchanted urban middle class. In contrast to the empty slogans of the Christian Democrats the National Party appeals to the lower middle class's sense of nationalism and individualism; it appeals to the general populace's desire for an end to inflation and for immediate material payoffs.

In the national political scene the hope of the right wing revolves around the possible presidential candidacy of Jorge Alessandri. If the Christian Democrats fail to deal with the structural problems facing Chilean society and if the Marxist parties continue to split and to confine their activities to parliamentary negotiations and electioneering, the right-wing National Party could, in the not too distant future, become a major factor in Chilean politics.

4
THE MIDDLE CLASS

From 1891 to 1920, political fragmentation and corruption characterized Chile's parliamentary system. Party combinations were necessary for the parliamentary system to function, but the style of government did not change as different, rather nebulous combinations came into and fell out of power. As Stephenson put it, "Chilean politics became little more than a frank struggle for privilege and high office . . . Chile had won her electoral liberty, but in practice it meant nothing more than 'liberty to indulge in fraud and bribery.' "[1]

MIDDLE-CLASS POLITICS BEFORE THE POPULAR FRONT

From this political potpourri the Radical party emerged to speak for the interests of the liberal capitalists in industry and mining, and for those of the middle-class professionals, salaried employees, and state bureaucrats. The latifundistas, especially those from the south of the country, were also influential. Gil describes the party's development as follows:

The foundations of the Radical Party . . . had been laid by Pedro León Gallo, rich miner of the north who led an unsuccessful re-

[1] Stephenson, p. 20.

volt in 1859, and by the Matta brothers, Manuel Antonio and Guillermo. At first only a small group of dissident liberals, the party was soon to grow into a formidable force as lower-middle-class intellectuals, Masons, members of "reform clubs," and small merchants began to swell its ranks. In the beginning the Radical Party program included four essential points: constitutional reform, state supervision over education, administrative decentralization, and freedom of suffrage. Later the Radicals were to acquire the strong anticlerical taint which became a distinctive mark of this political group. Socially and economically, then, the Radical Party was at first the expression of the political demands of the new wealthy bourgeoisie produced by the development of mining in the north and subsequently became the focus of the resistance by agricultural provinces of the south to the centralization of power in Santiago. Later it was reinforced by the other social groups which emerged as a middle class began to develop in the cities.[2]

In the party convention of 1888, the Radicals called for separation of Church and State, establishment of "free, secular, and obligatory" primary schools, and improvement of the status of women. Despite the doctrinal conflicts of the nineteenth century, the Radicals joined the Conservative alliance to overthrow Balmaceda, and entered the subsequent government coalition. Though the Radical party was adept at forming coalitions, it did not vigorously promote reforms aimed at improving the socioeconomic conditions of the laboring groups. This moderate course, supported by elements of the economic elite in the party, was opposed by its less affluent members. In 1906, under the leadership of Valentín Letelier, the party incorporated some popularly demanded social reforms into its program. The party's leadership sought to unite the attitude of the party's capitalist wing, the principles of liberalism, and the reformist aspirations of the middle class. It was, however, more skilled in devising appealing programs than in legislating in favor of the lower classes. Up until the middle 1930s it remained on the side of the great economic interests, except on the issues of free public education and of separating church and state.[3]

2 Gil, *op. cit.*, pp. 11–12.
3 César Jobet, p. 127.

The other political party of the middle class was the Democratic party, founded in 1887. Unlike the Radicals, the Democratic party was relatively close to the populace and occasionally organized mass protests. Pressured by the small manufacturers, the Democratic party was responsible, in April 1888, for a vociferous protest movement in the Santiago area over tariff protection. In 1894 the Democrats elected their first deputy, in 1912 a senator, and in 1916 they held a Ministry. The Democrats were the first party that attempted to organize the working class. In their economic program, the Democrats demanded stabilization of the currency, development and protection of manufactures, and colonization of the South by Chileans. Their program for social legislation included protection of the welfare of workers, development of obligatory primary education, and creation of a Ministry of Labor.

Since the growth of an urban middle class in the nineteenth century did not lead to attempts at revolutionary social change, land-ownership continued to be concentrated in a tiny elite. Foreign capital from already-industrialized capitalist countries continued to dominate key sectors of the national economy.[4]

Industrial and commercial growth created many middle-class private employees. The expansion of the government's administrative machinery increased the number of white-collar workers. Development of agriculture in southern Chile added a group of small propertied farmers. The universities

[4] Welcomed and protected by the traditional elite, foreign capital flooded Chile. Foreign investment dominated the important mining sector of the economy with the entrance of large-scale US investment into the copper-mining fields. In 1912, US investment was calculated as $15 million, a sum that rose to $451 million by 1928. Sectors of the non-agricultural economy (mining interests) capable of generating foreign exchange and internal savings, and of developing a modern industrial economy, were geared to already industrial societies; Chile's raw materials were integrated into a foreign industrial complex. However, the distribution of benefits supposed to accrue from this "international division of labor" to both the suppliers of raw material and the industrial center were not forthcoming. In response to this economic subjugation, a new philosophy developed that called on the government to develop public works and encourage Chilean capitalists in the creation of a national industry. *Ibid.*, p. 176.

created more and more intellectuals not associated with the hacienda. This new middle class was a dependent and primarily propertyless group. According to Gil, the dependency or "proletarianization" of the middle strata was "chiefly the result of the prevailing land tenure [latifundia] and of the peculiar characteristics of the mineral region's control [monopoly and oligopolic] and the penetration of foreign [investment] which prevented . . . growth of a numerous class of small holders . . . and of small industrial entrepreneurs."[5] The "intellectual proletariat," which had neither high social status nor opportunity for advancement in the social hierarchy, became the spokesman for developing mass movements. But the dependent middle class alone achieved little in its struggle against the oligarchy; Stephenson wrote that the middle class's rise to political power might not have taken place without the support—both at the polls and in the streets—of the industrial proletariat.[6] What wealth this middle class accumulated was obtained through the government: either through government employment or through the development of government-financed (or otherwise-supported) capitalist enterprise. Economic nationalism thus came to be a favorite issue of the middle class, which was usually articulated by the Radical party. But the Radical political leaders realized that without broad popular support, the middle class could not attain enough political power to create the economic opportunities necessary for social advancement. The fiasco of 1891 taught them the futility of facing the landowners and foreign investors alone. The materialization of a militant working-class movement at the beginning of the twentieth century, inchoate but seeking representation, presented the middle-class political leadership with an excellent opportunity to build a political instrument that would increase upward social mobility. In order to challenge the oligarchy, a new style of politics was developed: mobilization politics.[7] And a new type of politician

[5] Gil, *op. cit.*, p. 20.

[6] Stephenson, p. 26.

[7] Mobilization politics involved: an appeal to popular interests, to spark mass participation in politics; the introduction of political power as a means

appeared: Arturo Alessandri, the Lion of Tarapacá (or, as one commentator has referred to him, the William Jennings Bryan of Chile).

In the year 1920, middle-class discontent crystallized in the presidential campaign of Alessandri, candidate of a liberal alliance composed mainly of the Radical and Democratic parties. In addition to the middle class, Alessandri was supported by sectors of the working class that either were not organized into the socialist trade unions, or were engaged in union economic struggles.[8] Unlike his oligarchical opponent, who relied on buying votes, Alessandri journeyed from one end of Chile to the other. "He declared war on all the formulas of the past. He presented a full-blown social security and economic reform program."[9] Alessandri's campaign was the first Chilean attempt to try to take political power by mobilizing the masses on the basis of a socioeconomic program. His victory was the victory of the middle class and the middle-class Radical and Democratic parties, which carried him to power. On the basis of its reform program, the working class accepted the middle class's leadership. The old conflict over church-state relations was overshadowed, and the "social question" became the center of political struggle. Working-class demonstrations and strikes, and the growth of the trade unions, made obvious the lower classes' increasing determination to change their social conditions. Alessandri took this new attitude among the lower classes into account in his campaign and shaped his speeches around the need for social welfare and for improvement in the living standards of the lower-income groups.

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of achieving social and economic reform for the "common man"; an attack on traditional elites and authority; and the appearance of the politician who "goes to the people." The Alessandrista mobilization of the 1920s was essentially a middle-class formation appealing to all anti-traditional groups. The Popular-Front mobilization was an alliance of specific class parties—the middle-class Radicals and Democrats and the working-class Communists and Socialists. The middle-class parties assumed leadership, and the program of the coalition was based essentially on middle-class demands; the working-class parties were accorded a major role in mobilizing the vote and organizing electoral campaigns.

[8] Stephenson, p. 32; Jobet, pp. 156–157.

[9] Stephenson, p. 33.

This political mobilization was limited by two factors: only a small fraction of the adult population participated; and the political leaders, having attained power, became reconciled to the maintenance of the existing socioeconomic structure. The partial mobilization was sufficient to bring the middle-class parties to power, but their power was shared with the traditional ruling class. Alessandri's election (he held office from December 23, 1920, to October 1, 1925) did not produce the reforms that the lower classes so impatiently awaited, despite his continued appeal to popular aspirations in his public addresses.

Through state intervention, the Radicals and Democrats sought to create a national industrial complex and a national entrepreneurial group. But they did not redistribute the land or create an expanding internal market based on effective mass demand. The middle-class parties, while failing to change the socioeconomic conditions of the lower classes, increased their political consciousness, and also created the political and legal framework for the growth of working-class parties. In contrast to the preceding period, in which repressed lower-class aspirations expressed themselves in spontaneous massive, violent demonstrations, during the relatively tolerant period of middle-class rule such energy was channeled into building working-class political and social organizations. Mobilization politics made workers aware of their own political power. Industrial workers began to think about using that power to change existing socioeconomic institutions.

In the twenties and early thirties, as it became apparent that the middle-class parties were unable or unwilling to bring about the reforms they had promised, large numbers of workers turned toward more strictly defined class parties—the Socialists and Communists. Working-class parties drew support by opposing the policies of the middle-class and center-right coalition government of the second Alessandri presidency (1932–38). Yet by the end of the 1930s an alliance between the Radicals, the Democrats, and the working-class parties became the basis for the Popular Front. An important factor in the formation of the Popular Front was the Com-

munists' decision to accept middle-class leadership and subordinate the working-class movement to an auxiliary role. The Radicals had not become revolutionaries, but in spite of the more militant appeals of the Socialist and Communist parties, it was the Radical party that dominated the Popular Front. What had changed were the principles of the Socialists, Communists, and other working-class groups.[10]

Though the Radical party's assemblies were dominated by the middle class,[11] it was the conservative business interests that controlled the leadership of the party and directed everyday politics. These conservative interests, in whose behalf the party acted, included wealthy northern mine owners and southern hacendados who agreed with the traditional elite on important social and economic issues, but split with them over minor issues of a religious and regional type. In order to maintain this heterogeneous alliance, the Radical program was generally vague and ambiguous. As the party's middle-class social base became radicalized, pressure for a more truly

[10] The sidetracking of the working-class movement from the path of independent political development into the dead end of the Popular Front can be traced to the decision of the Communist Party. Gil noted: "there can be no doubt that the idea of the Popular Front governments originated in the discussion of the Russian Comintern in 1935 to recommend to Communist Parties throughout the world to form alliances with democratic and bourgeois parties in a common front against fascism." Gil, *op. cit.*, p. 69.

[11] *Ibid.*, pp. 20–23; Stephenson, p. 63; and César Jobet, pp. 182–183. Urzua Valenzuela's survey of two representative assemblies of the Radical party indicates the overwhelming predominance of the middle strata in the party. Urzua Valenzuela, *Las fuerzas políticas en Chile.*

Socio-economic Composition of Two Representative Radical Assemblies in Santiago Province

Professionals	311	319
Technicians	24	15
Employees	650	412
Pensioners	39	
Students	14	40
Merchants	61	29
Industrialists	26	15
Workers	12	8
(Skilled) Workers	39	34
Without Profession	84	157
Total	1260	1029

The only ecological analysis of voting up until recent years, Coke's *Geografía electoral de Chile,* tends to confirm the middle-class base of the Radicals.

radical political line grew, and in 1931 the party program expressed solidarity with the exploited workers against the capitalist class. In practice, however, the party followed its latifundista and capitalist leaders, who frequently allied with the traditional elite to defend their joint interests.[12] The Radicals provided the electoral strength that put the converted Conservative, Alessandri, into power in 1932; and most of the Radicals usually voted with the Right up to 1936.

After helping to elect Alessandri, the Radicals joined an oligarchical cabinet dominated by the conservative financier Gustavo Ross, a cabinet that refused to extend social-security legislation. The Radical ministers stayed in this cabinet even after the Radical party had agreed to join the Popular Front; stayed until they were finally forced out by Ross in September 1937. The party's nominee for the Front's Presidential candidate, Pedro Aguirre Cerda, was a large landowner who had at first opposed the idea of Radical participation in the Front.

The Radical party joined the Popular Front for three reasons: (1) the coalition could channel the growing popular support for the Left into support for the Radicals, if they could dominate the coalition (which with Communist support they assuredly could); (2) the right wing had decided to run an independent campaign, and had rejected any coalition with the Radicals; (3) by joining the Front, the party lessened the strain of growing Right-Left polarization that might otherwise have split the party.

In the 1937 Congressional elections, the Popular-Front parties increased their representation substantially, despite election bribery by the Right. The Socialists made the most marked gain in this election. As Stephenson noted, "Many Machiavellian Radicals who had previously doubted the political wisdom of allying with the Left and risking 'certain defeat' at the hands of the powerful Liberal-Conservative coalition, suddenly awoke to the fact that a little more unity and a little more determined effort on the part of the Radicals might bring victory to a Popular Front combination in which their

12 César Jobet, p. 182.

Party . . . would have the controlling vote." The Socialists and Communists were nurturing an "almost mystical devotion [among] the masses to the Popular Front."[13] This was a potent political force that the Radical leadership could not ignore. Besides, the oligarchy's ouster of the Radical ministers from Alessandri's government in 1937 had destroyed all hopes of Radical cooperation with the Right in presidential elections. The Radicals, caught in the sharp polarization taking place in Chilean society, were faced with the alternatives of being caught in a Left-Right crossfire or of taking control of a mass movement that offered possible political power.

The Socialist Party had hoped to lead the Popular Front with a program of socioeconomic reform. It initially nominated the Socialist Grove as the Front's presidential candidate. However, the Socialists failed to receive the full support of the Labor Federation or of the Communist Party, and were forced to support the Radicals' candidate. Thus the working class was being mobilized to support a middle-class-led alliance, while the middle-class leadership, the Radical party, was making deals with members of the traditional elite.

The middle-class-led Popular Front came to power in the face of social, economic, and political problems that had plagued Chile for most of the twentieth century. Alessandri had been elected as a social reformer, with most of his votes coming from the middle and lower-middle class. During his two terms he continued the practice of repressing the left-wing parties and the trade-union movement through the use of the armed forces, and also condoned the extraparliamentary rightist bodies formed during the early years of his first term. The hacienda system stood firm. Social legislation did not reach the rural workers. Labor organizers met violence at the hands of government troops.[14] Peso devaluation enabled the industrialists and hacendados to sell their products on the international market at a profit, and at the same time to pay lower real wages to their workers. The cost of living soared,

[13] Stephenson, p. 74.
[14] *Ibid.*, p. 91.

but money wages and salaries remained at their former levels. Strikes by workers to force wage increases were effectively dispelled. The class that could least bear it was forced to pay for the "recovery" from depression. Alessandri made only a small effort to better the social conditions of the wage-earning and salaried class, and a smaller effort yet to offer them a more equitable share of the national income.[15]

THE POLITICS OF THE POPULAR FRONT

The major political activity of the left-center parties was the making and breaking of coalitions and of bargains between faction leaders, and the most active of these political forces was the Radical party. For about ten years after the Front's formation, the Radicals formed coalitions with the Left, promoted new industrial enterprises, and generally were politically "permissive." From 1948 to 1952 the Radicals moved toward the Right, forming coalitions with only a fraction of the Left, attempting to consolidate the new economic enterprises, and generally becoming more restrictive in their political style.

In Chile, the Popular-Front governments improved social and political conditions for the middle strata and a thin layer of organized workers. They did little to improve the lot of most of the working class if one considers the degree to which

[15] By the end of the 1930s, foreign investment controlled nearly all of the mining enterprises, with US capital rapidly replacing British in the rich copper and communications industries. Chile remained a raw-material exporting country, and, through heavy profit remittances and interest payments to western banks, continued to lose vast amounts of potential investment capital.

FOREIGN INVESTMENT IN CHILE, 1939

	Amount (Millions of US Dollars)
Public debt	434.8
Mining	402.0
Industries and manufacture	17.7
Electricity and tramways	55.7
Banks and securities	13.0
Commerce	37.0
Communications	151.0

SOURCE: César Jobet, p. 209.

the Front strengthened (or weakened) the organizations of the working class, or the extent to which the Front's original goals of social reform were achieved.

The Achilles' heel of the Front was the heterogeneity and social conflicts of the groups it comprised. The Socialists wanted a redistribution of income favoring the organized industrial working class; the capitalist, middle-class Radicals opposed these measures, and were not about to challenge the landowners' power in Congress.

Both Radical and Socialist politicians competed for lucrative administrative posts. The Radicals had a majority of seats in the cabinet. The Communists stayed outside the cabinet, capitalizing on lower-class discontent with the lack of favorable legislation from the Socialists inside it. Though the cabinet was occasionally reshuffled, socioeconomic reform did not occur. Within a year the reform Radicals were replaced by a "millionaire's cabinet" (including two latifundistas) in order to appease the traditional forces in Congress. The Socialist party split—one wing continuing to support the government, the other forming a new party, the *Partido Socialista de Trabajadores* (PST).[16]

At the time of the Hitler-Stalin Pact, the Chilean Communists changed their policy and began to attack the Popular-Front Government. Lower-class dissatisfaction with the government's vacillating and compromising course strengthened the Communists. The right wing of the Socialist party, because of its internal division and its policy of supporting the government, could not channel this discontent. The left-wing Socialists (PST) did present an alternative to the lower classes, but they had been ousted from the labor federation and thus had a weak organizational base. The Communists preferred to share control of the labor federation with the right-wing Socialists, who they considered far less dangerous competitors for labor support.[17] By 1941, when the Socialist party broke

[16] Stephenson, pp. 98–100; Robert Alexander, *Communism in Latin America* (New Brunswick, N.J.: Rutgers University Press, 1957), p. 195.
[17] *Ibid.*

with the Popular Front, the Socialists had lost the initiative to the Communists. In the 1941 Congressional elections, the Communists increased their representation from eight to 18, while the Socialist party and the PST increased from 19 to 22. After Germany invaded the Soviet Union and World War II broke out, the Socialist and Communist Parties again united to support the Radical presidential candidate, Rios. Both parties collaborated with the Government. The Socialist party participated in the cabinet, while the Communists supported the government but did not hold cabinet posts.

The Socialist party, like the Radicals and Democrats before it, became part of the Government apparatus. Abandoning the principles that had led it into opposition, it assumed responsibility for upholding the hacienda system and the predominance of foreign investment in the country's economy. Chile continued to be a raw-material exporting country. The real income of the working class increased one percent per year. Popular support for the Socialist party began to fade. Splits and new formations among the leadership and rank-and-file siphoned off many members; some joined the Communist party. Socialist participation in the government did introduce greater political and social freedom: leftist leaders were not jailed, exiled, or persecuted, as had been customary under Alessandri. Furthermore, trade-union organizers were permitted more freedom: the number of unionized workers before the Popular Front was 125,978; by 1941 it was 172,609.[18]

Organizational fragmentation of the Socialist party was aggravated by the moderate policies it adopted while in government, and by the growing popularity of the Communist party. In 1944 it split again. Grove formed a new party, the *Partido Socialista Auténtico*, while the Allende faction, which had opposed participation in the government, continued to call itself the Socialist party.[19] Concurrently, the former left-wing Socialists (PST) joined the Communist party.

As the Socialist party declined organizationally and politi-

18 Stephenson, pp. 98–100.
19 Alexander, pp. 196–197.

cally during the war, the Communist party grew. Alexander noted that "Throughout the remainder of the War, the Communists continued to gain ground, both in the labor movement and among the general public, while the Socialists increasingly lost support, both among the workers and the voters."[20] The Communists carried out two tactics simultaneously. They supported the "labor truce" during the War (thus fulfilling their obligation to the Comintern), and the pro-government wing of the Socialist party in each intra-party skirmish. However, they stayed out of the government: they thus were not identified with its failure to carry out basic changes, and could blame the failure on the pro-government Socialists.

In the immediate postwar period, in Chile as elsewhere, a wave of spontaneous and organized walkouts occurred; discontent that had been effectively repressed during the war found outlets. When Duhalde, the Radical President, refused to meet the demands of the nitrate-workers' union, a large demonstration was called. The police fired on the crowd, and six men were killed. The Socialists, Communists, and other members of the executive committee of the Chilean labor federation (CUTCH) called a general strike to enforce their demands. But the Allende faction of the Socialist party was no more immune to the "ministerial disease" than its earlier counterparts, nor were the Radicals unaware that co-opting Socialist leaders into their government might lessen tensions. In brief, "acting President Duhalde invited the members of the Socialist party to join his cabinet. After the Socialists had decided to enter the cabinet they attempted to get the general strike called off before it began."[21]

The Socialists got their cabinet posts, but lost control over the labor federation and most of the important trade unions in the country. The Communists who opposed the Socialist ministers received the support of most of the other CUTCH executives, and became the dominant group in the labor move-

[20] *Ibid.*, p. 196.
[21] *Ibid.*, pp. 198–199.

ment. In the following months, according to Alexander, "the Communists and Socialists fought for control of the organized labor movement. The majority of unions undoubtedly went with the Communist-controlled CUTCH within the first six months of the split. The communists controlled the important Miners, Metal, and Construction Workers' Federation, and the smaller Agricultural Workers' Federation."[22]

The Liberals, in the nineteenth century, were able to advance the economic interests and social status of the rising bourgeoisie and ease its integration into society. The Radicals, after 1938, were able to advance the interests of the new middle class (its increase in income from 1940 to the late 1950s was six times that of the lower classes)[23] so that it too became part of Chilean society. Under Socialist leadership, the lower classes were forced to shoulder the cost of "progress." As a result, the Socialists were unable to maintain popular support *and* play the role of loyal opposition, especially when the Communists stood ready to champion popular demands. The Socialists could have successfully played parliamentary politics and accepted ministerial posts only if the economy had expanded rapidly and they had been able to provide substantial benefits for their followers, that is, only if they had fulfilled the promises made in 1938. When the Socialist party not only ceased to voice the demands of large numbers of its supporters, but openly sided with the political forces responsible for the denial of those demands, it was bound to lose support. Jobet brilliantly summed up the misfortune of the Socialist party's rise in the 1930s and its fall in the 1940s:

> The Socialist Party during the first years of its existence played a decisive role in the social and political development of the country. Its modern organization, its revolutionary program, its national and American character, and the profound faith of its militants, who considered themselves the soldiers of a just and great cause, explain its rapid increase in influence. The people had great confidence in its books and in its leaders, intellectuals

22 *Ibid.*

23 Frederick B. Pike and Donald Bray, "A Vista of Catastrophe: The Future of U.S.–Chilean Relations," *Review of Politics*, XXII (July 1960), 396–398.

and young workers who truly translated their ideals into the program and activity of the young party . . . . This party that was a great hope before it participated in the Popular Front in 1938 . . . is considerably weaker. It is not up to its historical responsibility. . . . The useless and sterile collaboration in a weak government . . . led to bureaucratization and loss of popular support. In order to achieve some administrative positions and parliamentary offices that politically corrupted and wasted energy in small play, without idealism, they were reconciled and allied with those same named historic parties . . . divorced from the genuine interests and hopes of the people. The sinecures of power, the ambitious personalities and the internal squabbles by egotistical *caudillos* replaced the great actions for securing the structural reforms that the country and the people demanded. The Socialist Party fell into decay and began to disintegrate and fragment to absurdity, occasionally engaging in adventuristic politics . . . that caused the people to look upon it with even more skepticism.[24]

The Communists, who had gained support by opposing the Socialist-Radical alliance, learned little from the errors of the Socialists. In the 1946 election, the Communists and the main force of the labor movement supported the Radical presidential candidate, González Videla. During the brief period in 1946–1947 when the Communist party functioned in the cabinet, no changes were made in either the overall socioeconomic structure or in government policy. The Communists collaborated with middle-class Radicals and three good solid Liberal members of the oligarchy.

Videla sought support from the Communists because they controlled the votes that meant victory in the 1946 election. During the War, the Communists restrained the labor movement from militant action, and were useful in undermining the non-Communist unions. "Leaders of the non-communist unions were afraid to call their members out on strike, lest the government 'intervene' in their organizations, remove the non-communist leaders and turn the unions over to the Communists. . . . To a certain degree they were supported in this by President González Videla."[25] Municipal elections in April

[24] César Jobet, p. 201.
[25] Alexander, p. 201.

1947 showed dissatisfaction with the government. The Communists increased their support among those who had previously voted Radical, but lost ground among workers, some of whom returned to the Socialists.

After the presidential election the Radical party put into effect a three-part strategy: it accepted the support of one sector of the workers' movement (the Communists) to achieve power; utilized the support of the Communists against other sectors of the labor movement; and then turned against the Communist party and its working-class followers, utilizing the hostility to them already extant in the labor movement.

The New York *World Telegram* reported on October 1, 1947: "It is known, however, that the wily President (González Videla) told two conservative leaders that there was nothing to be excited about. . . . He said he intended to give the Communists a fair trial, but that he was convinced they would not last longer than three months." Later that month González Videla broke off diplomatic relations with Czechoslovakia and the Soviet Union, rounded up 200 of the country's top Communist leaders, and issued warrants for the arrest of 300 others. The occasion for the crackdown was a strike in the southern coal fields near Concepción. The middle-class government resorted to the already weakened Socialist party for support in further undermining and dividing the working class: "In breaking the strike, González Videla asked the cooperation of the Socialist CUTCH (labor federation), which recruited workers from other parts of the country to man the coal mines abandoned by the Communist-controlled union. The strike was quickly broken."[26] And late in 1947, the Socialist party joined the González Videla government.

González Videla gained supremacy, backed by the parties of the Right. Shortly afterward, when the Chilean economy confronted its first postwar crisis (caused by the drop in copper income), his Minister of Finance, Jorge Alessandri, was in a position to shift the financial burden of economic readjustment onto the politically decapitated lower classes. Alessandri

[26] *Ibid.*, p. 203.

"gave warning . . . that (the country) will have to adopt a program of austerity to avoid going bankrupt. In answer to the demands of the labor unions that the wages of government workers be augmented, Alessandri said that an increase would be impossible in view of the crucial financial status of the country."[27] At the same time, the interest payments on debts to US banks were promptly met.

To some extent, the anti-Communist policies of the Radical party reflected the concern of US business interests, who were not at all happy with the rapid growth of militancy among the working class. A visiting American scholar reported: "A prominent Socialist leader [the Socialists were then allied with González Videla and the Liberal party in the government] and professor expressed the opinion . . . that the decision to suppress the (Communist) party was also due to the unfavorable reaction of capital interests in the U.S."[28] More important were the Radicals' and González Videla's hopes to receive US loans to finance key industrial enterprises. Videla accepted the support of the Communists in the 1946 elections and then turned against them in 1947 to cooperate with the United States and receive US aid. After Videla broke relations with the Soviet bloc and outlawed the Communist party, the Export-Import Bank provided a long held-up loan of $25 million for the development of an iron and steel mill. Another loan followed in the fall of 1949. In addition, the US suddenly increased its imports from Chile.

González Videla obtained extraordinary powers from Congress through the so-called "Law for the Defense of Democracy." Under this law citizens could be arrested for engaging in political activity considered by government authorities to be subversive. The government first outlawed the Communist party, then moved against the non-Communist Left. A concentration camp at Pisagua, in the desolate northern region, was filled with "hundreds of Communists and other agita-

[27] *Hispanic-American Report*, II (Oct. 1949), 25.

[28] Roger Abbott, "The Role of Contemporary Political Parties in Chile," *American Political Science Review*, XLV (June 1951), 458.

tors."[29] The Socialist party, greatly diminished by its internecine struggles, its warfare with the Communists, and the wholesale desertion and demoralization of many of its members in the face of the government's blows at the labor movement, once again split, this time over the Law for the Defense of Democracy. The anti-González Videla faction formed the *Partido Socialista Popular* (PSP).[30]

Both internal and external developments pushed the middle-class political forces to the right. Among the internal factors decisive in conservatizing the middle class were the achievement of a relatively advantageous position vis-à-vis lower-income groups, new job openings created by economic development, and new opportunities for social mobility. The increasing social distance between middle and lower income-groups lessened their sense of shared social experiences. New consumption possibilities and the opportunity to participate in the traditional mode of life, even on a small scale, drew the insurgents away from their political partners. The relative openness of Chilean society permitted the middle strata to associate, directly or vicariously, with the traditional ruling class, a temptation so enticing that it hindered them from developing a dynamic role of their own as either industrial, commercial, or public entrepreneurs. The social split from the working class and the attractions of upward social mobility combined to create the conditions for a shift in middle-class politics.

External contributions to the shift toward "stabilization" politics were the conservative anti-Communist foreign policy of the US and the dismayed preoccupation of US business interests in Chile with "mobilization politics." The Chilean government's program for industrial development depended on the US for financing, and the government was accordingly inclined to appease US interests and prejudices. The result of these internal and external factors was the forceful exclusion of the Left from legal politics. The "anti-Communist" ideol-

[29] *Hispanic-American Report*, I (Dec. 15, 1948), 18.
[30] Alexander, p. 204.

ogy was used to legitimize internal political needs and meet external political obligations.

CONSEQUENCES OF THE POPULAR FRONT

On the one hand, the Popular Front made considerable progress in creating an industrial infrastructure, broadening the base of social participation beyond a small elite, and increasing conscious government involvement in the developmental process.

On the other hand, these changes tended to enrich the upper and middle class in status, wealth, and power, at the expense of the workers and peasants. Popular-Front politics weakened the Left, strengthened the Right, and increased the people's distrust of parliamentary politics. At the end of a decade of working-class—middle-class coalitions, the Rightist parties were politically, socially, and economically stronger than ever. Roger Abbot, in his study of this period, concluded that: "One of the underlying features of Chilean politics is the continuous weighty electoral position of the well-financed and organized parties of the Right."[31] The left-wing parties and the labor movement were divided and weak. The Railroad Workers' Federation and other important union groups withdrew from the Communist-controlled CUTCH, which "finally was reduced to the status of a general staff of the Communist Party in the labor movement."[32] Other labor unions were broken up by the government, as was the section of the CUTCH controlled by the Socialists. The copper miners withdrew from the Communist-led Miners' Federation to form their own *Confederación de Trabajadores de Cobre*, and the maritime and textile workers acted similarly. The Communist party, with its leaders in jail or exile, its members blacklisted by the hundreds, its organization outlawed, and its 40,000 registered voters stricken from the voting list, had reason to reconsider its opinion of the Popular Front as a means of

[31] Abbot, p. 459.
[32] Alexander, p. 204.

achieving industrialization, social equality, and political democracy.

The Front's inability to overcome the traditional parties was due to the Right's unshaken control of the rural areas of Chile. The 1955 *censo agrícola* revealed the continued concentration of rural property: 9.7 percent of the agrarian property-holders owned 86 percent of the arable land, and 74.6 percent of the landowners owned 5.3 percent of the land. In the provinces of Santiago, Valparaíso, and Aconcagua, 7 percent of the landowners owned 92 percent of the land.[33] As Gil pointed out, "At no time during the years of leftist predominance [middle-class-led coalitions with working-class parties] did the leadership of the temporarily allied government parties attempt any program involving the expropriation or even the taxation of the landed estates."[34] Preservation of the latifundia system allowed the rightest parties to control the rural population and its votes, thus maintaining their political power.

The original Popular-Front program called for "a more equitable and just distribution of income." Between 1940 and 1954, an average of 78.3 percent of the economically active population received only 33.1 percent of the national income. Income distribution did change during that period, but according to Pike and Bray it was a "regressive redistribution . . . achieved at the expense of the lower income groups."[35] Between 1940 and 1953, the laborers that made up 57 percent of the EAP won a wage increase of 7 percent, while the real salaries of the white-collar middle class rose 46 percent and proprietors' incomes 60 percent. In this same period, wages fell from 27 percent to 21 percent of the national income, further indicating that the economic gap between classes had widened.

The Popular-Front program spoke of "continuity of instruction in all school grades." According to the 1952 census,

33 Pike and Bray, p. 204.
34 Gil, *op. cit.*, p. 39.
35 Pike and Bray, p. 416.

illiteracy was 25 percent, and of 1,100,00 children between the ages of seven and fourteen, 381,606 did not attend school. The Popular-Front program promised "sanitary dwellings and construction of lodging for office workers and laborers." In the early 1950s it was estimated that half-a-million housing units would have to be constructed to provide Chilean workers with minimally sanitary housing facilities, and that 30 percent of the Chilean people lived in unsanitary dwellings. Moreover, 86 percent of working-class families (average size six) lived in one-room dwellings.[36]

The Popular-Front program also promised "planning of the national economy in a form which will increase mineral, industrial and agricultural production." During the Front, agricultural output grew by only 1.6 percent annually, while the population increased by nearly 2 percent and per-capita food consumption by 2.3 percent. This resulted in a new deficit.[37]

Industry was the only sector to display any real growth. Between 1938 and 1943 industrial production increased by 35 percent, and the average annual growth rate was 5.8 percent (which slackened in the postwar period). Nearly all this development was through import substitution. Because of the nature of the Chilean market and because of social rigidities, there were built-in limitations to this sort of growth. The size of the market created strong tendencies toward monopoly that limited possibilities for future expansion. A more fundamental weakness, one that would hinder long-range economic growth, was the low rate of gross capital formation. The Chilean Development Corporation (CORFO) reported that this rate averaged only 10.3 percent of the gross national product from 1940–1954. If CORFO's estimated capital-output coefficient (capital units required for one unit of product) of 2.3, and a depreciation rate of roughly 6.3 percent of GNP, are accurate, the rate of net capital formation was only 4 percent. To achieve a mere 2 percent continuous increase in per-capita

[36] *Ibid.*, pp. 106, 401–403.

[37] Paul Johnson, "The Plundered Continent," *New Stateman*, LX (Sept. 17, 1960), 381–382.

output, in Chile, a minimum net capital-formation rate of 9.2 percent, or a gross rate of 15.5 percent, was required. Baran estimated that Chile's potential economic surplus (that possible if available resources were purposefully utilized) in 1948 was 26.1 percent of GNP.[38]

The Popular Front managed, however, to substantially increase the rate of return among private corporations. The average annual rate of profit from 1928 to 1937 was 8.8 percent; from 1938–1942 it rose to 14.8 percent.[39] This must have been what the Popular-Front Radicals and "economic nationalists," meant when they wrote of "defending the national patrimony."

Popular-Front politics also strengthened antiparliamentary sentiments. The failure of middle-class-dominated coalitions to bring about promised changes led to the rise of the rightist, authoritarian Ibáñez, whose ideology claimed to be anti-political (specifically, anti-political-parties), and who espoused the doctrine of a strong government "above politics."

The experience of the Popular Front suggests that the middle class may not be the mainstay of stability, democracy, social reform, and development that it has long been thought to be, especially by the US State Department. Politics calculated to expand the middle class's power would seem to operate from a false basis if they intend to further the above-mentioned ends.

MIDDLE-CLASS POLITICAL STRATEGY

The middle class was effectively brought into the political system during the period from 1939–1959, largely as a result of the flexible strategy adopted by the Radicals. The integration of the middle class into Chilean society occurred in three phases: the insurgent period leading up to the election of the first Popular-Front President in 1938; the transitional social-mobility period from about 1939 to about 1946; and the stabilization period from 1947 to 1959. The political empha-

38 Baran, p. 227.

39 Paul Theodore Ellsworth, *Chile: An Economy in Transition* (New York: Macmillan, 1945), p. 178.

sis in each period differed. During the insurgent phase, ideological politics were combined with reformist appeals to the populace. During the social-mobility phase, "doctrinairism" was played down and political pragmatism, developmentalism, and social engineering came to the fore. The middle class played broker between modernizing forces and traditional ones, between the populace and the elite. In the last stage, self-interested pragmatism replaced doctrinaire politics, technocratic and status considerations became primary, and a râpprochement with the traditional elites replaced the mediating role.

Different political strategies were adopted during the different phases. The period of insurgency was characterized by coalitions with the leftist parties. During the social-mobility phase, coalition politics continued, but broad fronts were replaced by more limited coalitions. The social differentiation resulting from increasing industrialization caused class conflicts between previous "national partners." As these latent conflicts became overt the Radicals adopted a strategy of "divide and rule." As the middle-class parties oriented themselves toward a consolidation of gains, they geared their policy to depoliticizing the polity. Greater emphasis was placed on stability, on undermining popular mobilizations, and on attempting to seek support from traditional and external elites. This last period was the "repressive phase," beginning roughly around 1948.

The general strike of 1945, the end of the World War II no-strike pact, and the co-optation of the Socialists marked the end of the broad coalition strategy and the beginning of the transition from social-mobility to stabilization politics. The passing of the Law for the Defense of Democracy, the outlawing of the Communist party, the government repression of trade unions, and the formation of a cabinet drawn primarily from the rightist parties marked the transition to repressive politics.

As middle-class political strategy changed, the extent to which modernization and social development came to Chile

became more and more limited. The moderate progress achieved via industrialization and parliamentary politics was confined largely to the middle strata, and excluded significant sectors of the lower class. The post-war recession and the exhaustion of import-substitution as a means to development resulted in what Parsons terms zero-sum situations: the gain of one or the other coalition partner was made at the other's expense.

By the end of President González Videla's term of office in 1952, the social and economic situation had deteriorated. Prices had skyrocketed, strikes and other demonstrations of social conflict were frequent, the industrial boom had slowed down, prices for exports had declined, political corruption was constantly being uncovered, and the old political coalitions were no longer intact. After four Radical Presidents the electorate was looking for new political leadership. The populace had become increasingly frustrated and increasingly hostile toward the existing political system and parties. The unrepresented lower classes resented the continual bargaining by organized interest groups (*transacciones y negociaciones* became an obscene expression). All of this increased tension and instability.

The middle classes had greatly improved their socioeconomic position, especially in relation to the lower classes'. Frightened by the lower classes' growing discontent, the middle classes turned away from the Radical party and sought refuge in the strongman Ibáñez. Uneasy over their relative gains, they sought a strong leader who could preserve their newly won security. The inability of the Radical party to promote and consolidate gains for its middle-class constituents cost it important support.

In terms of values and commitments Ibáñez was the ideal representative of the middle strata. With inflation eroding their advances in income he spoke of stability.[40] In contrast

[40] Urzua Valenzuela points to the differential impact of inflation on different strata of the middle class as the cause for the political shifts within the middle strata. "The schism between the 'proletarianized' middle class and

to the fragmentation of political groups he projected an image of authority and capability, and his rightist background assured the middle classes that he could deal "decisively" with the masses. On the other hand, his speeches, ideology, and style projected an anti-oligarchical image. Ibáñez appeared to be anti-Left, anti-Right and anti-status-quo, without suggesting extensive change. His image of an "apolitical politician" had distinct advantages when politics had taken on the distinct odor of corruption. Ibáñez was a virtuoso in projecting dynamism and in standing for the "right" things. His actual behavior once in office was something else.

Ibáñez came on to the political scene in the early 1950s as the "popular candidate" who would initiate a moral regeneration of Chile and sweep away corruption—one of his campaign symbols was a broom. He was a crisis candidate, the candidate of a modern middle class unable to cope with the economic and social crises looming on the horizon by conventional political methods, and unwilling to adopt radical ones. The problems included economic stagnation, rapid urbanization, growing external debts, and a shrinking capacity to import capital goods; all of which were subordinated to the problem of controlling inflation. The psychological stimulus that led the middle class to support Ibáñez was their fear both of the problems of society and of the alternatives posed by the Left and Right.

The middle strata, through the Radical party, were important in shaping Chilean politics first during the Popular Front, then during the successful campaign of Ibáñez. An

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the affluent leaders in the Radical Party from 1938 onward was caused by inflation. Inflation and the industrialization that it made possible caused the enrichment of a group of . . . families of the middle class. . . . For the rest of the population and especially for the bulky part of the middle class it was not beneficial. This was so especially for the dependent and salaried groups. The inflation has persistently provoked a deterioration of their level of life notwithstanding the massive readjustments of salaries. The presence of a vulnerable group of salaried public and private employees is dangerous because of its instability—viz. 1952 . . . when a large part of the (Radical) Party deserted ranks to defend their levels of existence." *Las fuerzas políticas en Chile.*

understanding of their attitudes and behavior is necessary for an understanding of why certain policies were adopted and others rejected, since the values of a constituency usually impose broad limitations on what a politician can or cannot do.

ATTITUDES OF THE MIDDLE STRATA TOWARD DEVELOPMENT

Early in the twentieth century, enlightened members of the traditional ruling class recognized that the values of the middle-class parties were similar to their own. The elite consequently lessened its opposition to expanding the electoral base, and was soon tolerating greater middle-class political participation. Even the management of political institutions was entrusted to middle-class parties, since they could be trusted not to endanger the distribution of wealth or the elite's social position. Pike noted that "because [the middle class] has in its political, social and economic thinking so closely reflected the attitudes of the aristocracy, there has been almost no disruption as middle sectors have won increasing power in Chilean politics. This has contributed notably to Chilean stability. The role assumed by the middle sectors may also have contributed to economic and social stagnation."[41]

Peaceful change in the social origin of government officeholders has been mistakenly associated with "democratic politics" in Chile. The middle-class, from which the new officeholders came, has been assumed to be the champion of democratic values. However, this political change, and the political language in which it is usually described, obscured the continuity of exploitation; the change hardly improved the condition of the lower classes at all.

41 Pike, *Chile and the US*, p. 287. A rapprochement between new middle strata and old elites has been noted in several other Latin countries. See Thales de Azevedo, *Social Change in Brazil* (Gainesville, Fla.: University of Florida Press, 1963, Monograph No. 22), p. 45; Arthur Corwin, *Contemporary Mexican Attitudes Toward Population, Poverty and Public Opinion* (Gainesville, Fla.: University of Florida Press, 1963), p. 12; also Charles Wagley, *An Introduction to Brazil* (New York: Columbia University Press, 1963).

The consensus between sectors of the middle strata and the traditional ruling class on social issues was not destroyed when the middle-class parties formed political alliances with the working-class parties. Popular-front alliances served to transmit the dominant values downward (as is shown by the co-optation of the Socialists). Conservative attitudes toward modernization pervaded the middle class and undermined attempts to promote structural changes.

An analysis of data from a 1958 survey of the reformist potentialities of specific middle-class groups seems to indicate that these groups' political attitudes differ from each other to an extent that would preclude the middle strata's commitment to a program of social reform. My analysis is based on the hypothesis that the middle class in Chile is composed of disparate elements or groups with conflicting attitudes on basic political issues, many of which are questions concerned with reform or development.

John J. Johnson offers a different analysis of Latin-American middle classes in general, and Chile's in particular:

> Progress does not move in a straight line, but deviously, and the middle sectors will from time to time probably compete with both the Left and the Right in exploiting the nadirs. But more than any other groups, they possess the equipment for dealing with realities; consequently they may not be confused by the economic fictions they formulate for political purposes. . . . [Chile] has a growing and politically entrenched middle sector leadership which barring the setting aside of democratic processes will continue to play an important and basically moderating and progressive role in politics, although it may on occasion find it politically expedient to advocate and temporarily pursue extreme measures.[42]

[42] Johnson, *Political Change in Latin America*, pp. 92, 194. See also R. N. Burr, ed., "Latin America's Nationalistic Revolution," *Annals of the American Academy of Political and Social Science*, CCCXXXIV (Mar. 1961), 1–147. The tendency to ascribe democratic and modernizing attitudes to the middle class is not exclusive to US social science. Julio Vega, writing about the Chilean middle class, says: "We think that the development of the middle class is the best guarantee of a democratic regime since it is the social sector that has an interest in defending it against the pretensions of the reactionary oligarchy on the one side and against the passionate revolutionaries on the other. The middle class in its great majority is essentially democratic and evolutionary." "La clase media en Chile," *Materiales para el estudio de la*

Social scientists who claim that the middle class plays a progressive role generally assume that the middle class favors land reform and the development of an efficient agricultural system based on the medium-sized family farm; that it is willing to expand industry through savings and investment, making "rational" economic decisions in order to raise productivity; and that it will extend political and economic power to the lower classes by social-welfare measures, by expanding their participation in industry and political life, and above all by increasing their opportunities for social, political, and economic advancement.

Data from a survey conducted in Santiago by Professor Eduardo Hamuy, of the University of Chile, just before the 1958 presidential elections, tend to challenge these assumptions. People who took part in the survey were questioned about their attitudes on major issues facing Chilean society, and about their choice of candidates in the coming election.[43]

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clase media en la América Latina, III (Washington: Pan American Union—Social Sciences, 1950), 91.

A frequent contributor to US journals who treads the same well-worn path is Victor Alba, who writes: "In short the new middle class . . . has little in common with the Marxists' stereotyped version of the bourgeoisie. Politically it is now liberal democratic and inclines toward socialism." Alba also sees a "trust in industrialization" and "a desire for efficiency" in this middle class; occasionally he ascribes a rather messianic purpose to it: "Rather in Latin America it is the interests of the middle class that coincide with the interests of all of Latin America (and in our context with the interests of mankind)." See Victor Alba, "Middle Class Revolution," *New Politics*, I (Winter 1962), 66–73.

[43] Though the middle strata contribute a disproportionate number of political leaders and activists, the rank-and-file act through intermediary organizations. Silvert and Bonilla report that among educators they found "between three-fourths and four-fifths of the respondents . . . reported that they regard their own political views and activities as of little or no importance." However, they go on to report that "fairly high levels of activity were reported with regard to professional organizations . . . Majorities in the neighborhood of seven out of ten reported attendance at a meeting of a teachers' organization. These organizations are . . . extremely political in their own way and are probably the main arena of direct political action." Kalman Silvert and Frank Bonilla, *Education and the Social Meaning of Development: A Preliminary Statement* (Washington: American Universities Field Staff, 1965), p. 82. This suggests a "two-step flow" of political involvement. Most of the educators are not involved in the national political system directly, but rather through involvement in professional or occupational

Respondents were classified as reformers, moderate reformers, moderate conservatives, or conservatives, according to their answers.[44] Salvador Allende, presidential candidate of the FRAP and a leader in the Socialist party, was characterized as the "reform" candidate, and the parties that supported him were also characterized as reformist. Jorge Alessandri, former President of the Republic and candidate of the Liberal and Conservative parties, the traditional parties of the large landowners and big business, was characterized as "conservative," as were the parties that supported him. While these outlooks are easily distinguished, the two center groups tend to overlap to a certain degree. However, Eduardo Frei and the Christian-Democratic party had proposed to reform the pattern of land tenure, to institute social-welfare measures for the lower classes, and to work for rapid industrial development with a large degree of state involvement (at least in the beginning). The PDC is thus characterized as "moderate reform." The Radical party, as has been shown above, has gradually moved toward the conservative end of the spectrum; hence, the party and its candidate Bossay are considered "moderate conservative."

The issues that were selected to test attitudes were chosen on the basis of their relevance to contemporary Chilean problems, and because they were relatively well-known. In Chile's more-or-less tolerant political climate, the issues were publicly debated; because of the multiparty system they were constantly articulated in the mass media and in the street.

The major issues are:

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groups that are linked to the national political system. The important point, then, is not whether the rank-and-file is "ideological" or motivated by the larger concerns of the polity, but rather the type of leader it supports. The leadership group is the agency that relates individuals' immediate concerns to the larger functioning of the system.

[44] Since I was interested in the (relatively) politically and economically active sectors of the population, the answers of "housewives" are not analyzed here, since women were not eligible to vote until 1949 and, among housewives, only a small number expressed great interest when the study was conducted. Respondents who had no opinion on a particular issue or question are also not included.

(1) Increasing the low productivity of the agricultural sector. The reformist solution would be to divide the large estates and redistribute the land among the peasants; the conservative solution to aid the large landowners. The relevance and importance of this issue is well-known.

(2) Increasing production in industry. Here the reformist solution would be to allow workers to participate in the decisions of industrial enterprises, the conservative position that workers are too ignorant to take part in the running of industry. The question of workers' participation in industrial decision-making is related to the problem of intense social conflict in Chilean society.

(3) Civil liberties for the Communist party. The reform position would be that the Communist party should not be outlawed; the conservative position that it should. The question of civil liberties for Communists is an important indicator of the degree of tolerance extant in Chilean society.[45]

(4) The question of whether industrial profits should go into higher wages or increased investment. It is my opinion that positions on this issue can be considered reformist or conservative in accordance with the respondent's position on the other issues. This problem will be discussed in greater detail below.

The relevance of a study of middle-class attitudes on these issues is clear when the following considerations are taken into account: (1) the middle class and its component subgroups, while not having a monopoly on the skills of verbal and literary expression, do contribute more than their share to the shaping and articulation of public issues and the mobilization of various sectors of the people for political action; (2) the issue of modernizing the nation has generally been associated (rightly or wrongly) with the middle class or at least some sectors of it, and political parties drawing their support from this group have argued issues to their middle-class constituents in these terms. Hence the middle class is

45 At the time of this survey, the Communists had just been legalized after more than ten years of illegal and semilegal existence.

important both as an element in the political power-equation and as a fairly active group on the issues of the day.

FINDINGS

On the major reform issues, those who own productive units and employ workers were more apt to take a conservative position than any other middle-class group. Close to three-fifths of the property owners were opposed to legal rights for the Communist party; almost seven-tenths were in favor of aiding the current landowners; and almost half opposed any form of participation by workers in the running of industry.

On the issue of legality for the Communist party the "owners" were the least tolerant (57 percent thought it should be outlawed), followed by the small, self-employed property owners (43 percent). The private employees and the professionals (33 percent), and the public employees (21 percent) were most tolerant. The non-propertied middle class was much more tolerant than the propertied groups on this issue; government employees were the most tolerant. Public employees were the only middle-class group more tolerant than the workers—31 percent of the workers favored outlawing the Communist party. The difference between private and public employees could be explained by the owner's possible influence on the private employees. The public employees may not be so hostile to the Communist party because of its strong advocacy of nationalization of property, which, should it occur, might increase opportunities for advancement for government employees. Because government employees do not have a direct stake in the ownership of property they are probably less susceptible to the private-property mystique, which occasionally overcomes concern for democratic rights. The self-employed property owners, who were less inclined than other owners to outlaw the CP, have relatively little to fear in the way of property loss, since the Communists have often stated that they would not expropriate the holdings of small businessmen.

Overall, however, the middle class exhibited strong authoritarian tendencies. Pike suggested that modern-day middle-class authoritarianism is the result of the merger of liberal and conservative values:

> Liberals, at least those who became successful, were enticed by the practical convenience of the concept of a providentially ordained stratified society. They come to question the perfectability of the lower class, and thus grew increasingly indifferent to supplying its members with opportunities to advance. Conservatives, influenced by secular, material standards, questioned the feasibility of supplying paternalistic protection to groups that appeared to lack the economic virtues and the capitalistic mentality. Middle and upper groups tended therefore to join in a disparaging attitude toward the lower mass.[46]

Middle-class intolerance of the Communist party in Chile has greater significance than in most Latin countries. The Chilean CP, unlike the Communist parties of many Latin-American countries, is not an isolated sect with an insignificant history in the working-class political movement. Outside of exceptional periods, and despite hostile pressures and restrictions, the Communist party has been legal, has participated in parliament, and has been supported by a significant sector of the lower class. Within this legal framework the Communists support, at times aggressively, the demands of the lower class for socioeconomic changes. This is the context within which middle-class attitudes must be evaluated.

A large minority of the middle class would deny the lower class this freely chosen instrument of political expression, and thus the right to be represented by a legal party functioning in a constitutional fashion. On this issue many individuals from the middle class reject the principles of their own democratic ideology. A segment of the middle class, were it able to put its beliefs into action, would seek to maintain its political

[46] Pike, "Aspects of Class Relations in Chile, 1850–1960," *Hispanic-American Historical Review*, XLIII (Feb. 1963), 14–33. Pike carefully traces the evolution of the Chilean middle class's conservative outlook during the past century. Many of his findings, based on his readings of Chilean political history, coincide with the findings of Hamuy's survey.

position by repressing a distasteful alternative. This authoritarian attitude is much stronger in some kinds of middle-class groups than in others; it is more pervasive in the middle class as a whole than in the working class.

Maintenance of the system of land tenure was supported by a majority of all middle sectors. Property-owners were the most conservative (69 percent), followed by private employees and professionals (68 percent), public employees (60 percent), and self-employed (57 percent). The lower score of the self-employed probably reflects an identification with the ideal of small property and greater sympathy with the aspirations of the *campesino* for a plot of his own land. The hostility of the self-employed toward the large landowners was a response to their image as the oppressors of the "little people."

In contrast, only 27 percent of the working class supported the system of land tenure. The working-class was the group most interested in reforming agriculture and creating alternative patterns of land tenure. Because of the low favorable response by all middle-class groups, agrarian reformers would have to concentrate on gaining the support of the working class as a base from which to rally the minorities in the middle sectors who also favor agrarian reform.

Underlying these attitudes was the longing of the urban middle-class for landowning status. Pike noted that "between 1925 and 1960, some 60 percent of the arable land in Chile's fertile central valley changed hands. The new landowners, primarily from the middle class, emulated the inefficient, absentee ownership patterns of the old landowning aristocracy, and often productivity of the lands they acquired declined. Frequently, moreover, land acquisition by new urban middle sectors resulted in deteriorating conditions for agrarian laborers."[47] Scholarly studies have pointed out that the current land-tenure pattern of Chile is inefficient, low-productive, and not geared to the expanding needs of the so-

[47] Pike, "Aspects of Class Relations," p. 26.

ciety.[48] The middle class's continued preference for this system has led to the perpetuation of authoritarian, paternalistic practices in the countryside. This status-quo orientation works against the needs of rational industrial development and prohibits the creation of an expanding national market for industrial goods.

However, the technological changes that have occurred recently in Chilean agriculture have broad social and political implications, and may in the long run work in the direction of radical political reform. Marvin Sternberg noted: "The creation of a larger and larger rural proletariat outside of the paternalistic relationship of the traditional structure can be inferred from and has been leading to, the growing unrest found in the countryside."[49]

Increased workers' participation in the productive process has great importance for economic development and for promoting a sense of social commitment to the country among the lower class. In Chile, US government publications have noted, industrial managerial personnel tend to have authoritarian attitudes, and the workers, as a result, tend to be hostile.[50]

Opposition to workers' participation in decision-making in industry was most prevalent among the owners. Public and private employees and professionals exhibited slightly less opposition to the inclusion of workers in decision-making (44 percent) than did owners (48 percent) and self-employed (47 percent). Again the working class scored significantly lower than every middle-class group (33 percent). The workers do not appreciate the subordinate positions that they are assigned by their "social betters," nor, apparently, do they accept the tutelary role of the middle class.

48 Comité Interamericano de Desarrollo Agrícola (CIDA), *Chile: Tenencia de la tierra y desarrollo socio-económico del sector agrícola* (Santiago, Chile: Hispano-Suiza Ltda., 1966).

49 Sternberg, *op. cit.*, pp. 132–133; also see chap. 7 below.

50 William Glade, "Social Backwardness, Social Reform, and Productivity in Latin America," *Inter-American Economic Affairs*, XV (Winter 1961), 3–32; Bohan and Pomeranz, especially chap. 3.

The high proportion of owners who are hostile to increased workers' participation has added significance, since they are more likely than other sectors of the middle class to have workers under their supervision. The owners are in a position to implement their authoritarian attitudes. Restrictive supervision inhibits attempts by individuals to innovate, improvise, or add to their output; it encourages rigidity and conflicts that frequently result in strikes. In Chile, "illegal" strikes are much more frequent than legal ones, which can perhaps be explained by the authoritarian situation in which workers find themselves.

All sectors of the middle class overwhelmingly agreed that Chile does not have equal opportunity for all her citizens. More owners thought that equal opportunity existed than did the self-employed, private employees, and professionals. Only seven percent of the workers interviewed thought there was equal opportunity in Chile. This figure is about the same as that of the low-scoring middle-class groups. The perception of inequality by large percentages of all sectors of the middle class is especially important, considering the large number of middle-class Chileans from all sectors who oppose major social changes.

The conservatism of the middle strata on social-reform issues is matched by an awareness of inequality of opportunity. The type of society the middle strata want to "conserve" is not an open but a closed society, and the middle strata know it.

TABLE 35

MIDDLE-CLASS PERCEPTION OF INEQUALITY OF OPPORTUNITY

Sector	Percentage
Owners	87
Self-employed	93
Private employees and professionals	94
Public employees	89
Working class*	93

* Working-class percentage included for comparative purposes.

Between 1950–1958 the per-capita GNP growth rate was less than one percent. The average ratio of gross domestic investment to gross national income has also been low; it fell from 10.1 percent in 1950–1957 to an estimated 9 percent in 1958.[51]

Despite this obvious lack of economic dynamism, all sectors of the middle class preferred wages and welfare to investment. Public employees were most favorable to wage increases (81 percent), followed by the private employees and professionals (73 percent), and the self-employed (65 percent). Only 50 percent of the owners preferred higher salaries over expanding plant facilities and investment. From one perspective, this suggests that the propertyless middle class favored limited reform in the form of higher wages. From the point of view of national economic development, the low proportion favoring investment indicated a conservative orientation. A high proportion of the working class (80 percent) favored higher wages, but many workers did not identify with the existing society. Many workers did not see the need to accommodate their wage demands to the needs of the system, since they supported change in its mode of operation and distribution.

The self-employed fell between the owners and the salaried groups. They were divided: some probably identified salary and wage increases as increasing the cost of products, and hence as an unstabilizing demand. They probably also sympathized with a fellow-owner attempting to hold down wages. Others probably feared that greater investment would bring expansion that would drive out the small businessman. More likely, because the self-employed do not have any employees and usually deal in consumer goods, the result of higher wages was perceived as putting more money in the hands of potential customers.

In summary, we can conclude that many public and private employees and self-employed supported the socioeconomic system, yet were unwilling to make any "sacrifice" toward its development.

51 See the Inter-American Economic and Social Council, *Financing of Economic Development in Latin America* (Washington: Pan-American Union, 1958).

Further evidence for the thesis that the Chilean middle class is not developmentally oriented is found in aggregate data on domestic investment. During the 1950s the average ratio of gross domestic investment to gross national product in Chile was the lowest of any major Latin American country. Personal consumption represented 81.1 percent of the gross national product during 1955–1957.[52]

Many of the owners (perhaps because of their control over many socioeconomic decisions, or because their strategic position gives them a view of the whole system) recognized what was needed to make the economic system expand. However, many of their investments were in non-productive areas (real estate, particularly housing for the well-to-do). In many cases capital was invested in another country (especially hard-currency countries). During 1950–1954 machinery and equipment composed only 41 percent of gross internal investment in fixed capital assets; of this, 34 percent was financed by foreign private capital or foreign credits. Of the rest, 33 percent went into dwellings, 7 percent into nonresidential buildings, and 19 percent into other construction. Railways, ports, and most utilities suffered from disinvestment. The large portion of owners who support investment over wages may be due to the fact that enlarged productive facilities would be under their control. The differential outcome of economic sacrifice may account for the different preferences of different middle-class sectors.

Because of the overwhelming demand for wage increases and because there is little support for socioeconomic changes, the propertyless and small-business sectors of the middle class have seriously limited the possibilities for economic and social development and modernization. Between the owners, who are opposed to basic socioeconomic changes but want to develop (at the expense of salaries and wages), and the workers, who want social reform, is to be found the bulk of the middle class: large sectors opposed to reform who thus block the working-class's chosen path to socioeconomic development;

52 See CORFO, *Cuentas Nacionales de Chile, 1940–1954* (Santiago, Chile: Editorial del pacífico, 1957).

other large sectors demanding higher wages and thus blocking the owners, who want to maximize investment incentives. The deadlock of the middle class represents the stalemate between conflicting groups and ideologies. The middle class is exhorted from above by the owners to keep salaries fixed in the interests of development, and pushed from below by an oppressed working class that seeks social change to further its own interest within a system that is clearly not growing rapidly enough to meet its demands.[53]

Notwithstanding the conservative, anti-developmental bias found among the middle strata, there are groups that do indicate an openness to change. Through direct personal experience, middle-class individuals are made aware of systemic inadequacies. Others, who feel that they have had opportunities to advance, may generalize from their experience that the society is basically sound. Pike noted some relation between opportunity and reformism in the middle classes: "Stung by inflation and with their hopes for expanding opportunity frustrated by Chile's lack of real growth, some middle-class supporters of the Christian Democratic Party, of the activist wing of the Radical Party and of the FRAP . . . seemed intent upon siding with the lower masses in a genuine attempt to alter the traditional socio-political structure."[54] The data shows that the middle class's dissatisfied sectors are much more apt to support agrarian reform (47 percent) than those persons who have had opportunities to advance (32 percent).[55] The dissatisfied group was also more inclined to approve of higher wages. Middle-class people who felt they had

53 The middle class has been to some extent successful in pushing its interests at the expense of the workers. The privileged position of the middle class is established throughout Chilean social legislation, where there is a distinction between the "employee" (*empleado*), who is defined as one who does work of a predominantly intellectual nature and the "worker" (*obrero*), who is defined as one who does work of a manual nature. The law provides for different rights and obligations for each of these classifications. Greater benefits are granted to the *empleado* in the fields of pensions, medical care, opinion have you in your life had the opportunities you have desired?"

54 Pike, *Chile and the US*, p. 287.

55 Each respondent was asked: "I am referring to you personally. In your and other social-welfare areas.

had satisfactory opportunities were more liable to be tolerant of the Communist party and to be in favor of workers' participation in industrial decision-making than those who felt that their opportunities had been limited. The dissatisfied group was more reformist on the socioeconomic issues (agrarian reform and higher wages). The satisfied group was more reformist on legal-political rights and on increasing lower-class "social involvement."[56]

Middle-class people who had been disappointed in their search for opportunities for social advancement were more likely to generalize this condition and support socioeconomic reform. Middle-class people who felt they had achieved the positions they desired were less apt to see the need for reform. They were more likely to believe that social change could best be achieved by greater legal-political tolerance and social involvement.

I have indicated some of the complexities involved in discussing the Chilean middle class. Its heterogeneity of outlook, and the cleavages within the class, have had important consequences for Chilean development. But despite the complexity of the subject, some trends are apparent. The lower-status groups within the middle class tend to be more reformist on the issues of civil liberties, land reform, workers' participation, and higher wages than the upper strata. But there is considerable overlap: even among the lower strata there was considerable opposition to basic social change. Compared to the working class, the lower-status middle-class does not seem very reform-oriented. The middle-class "owners" tended to be least interested in social reform, while the public employees were quite reformist on three of the four issues.

Reform movements probably draw most of their support from the propertyless public employees. The rightist and "de-

[56] To the extent that middle-class individuals reject socioeconomic reforms, they become advocates of "involvement" without content and meaning in terms of tangible goods and living conditions.

velopmentalist" political groups recruit from the property owners. It is around these two groups that the Chilean middle class polarizes.

The data analyzed here suggest that it is erroneous to refer to the middle class as a progressive, democratic, modernizing group. In Chile there are cleavages within the middle class, and large parts of most sectors are opposed to major reforms. On such vital issues as agrarian reform, majorities of practically all sectors of the middle class were unwilling to accept reform. The middle class does not seem to be a dynamic force in a political movement oriented toward modernization and development; nor does it seem that the middle class can be relied upon to defend democratic values. In Chile, it would seem that a working-class-based-movement would offer the greatest potential support for industrializing and developing a viable modern nation. The only dynamic groups in the middle class are those that have broken with the conservative-cum-consumptionist outlook.[57]

RADICALS IN THE DEMOCRATIC FRONT

In the late 1950s the Radical party joined in a formal government coalition, the Democratic Front, with the Liberals and Conservatives. The basis of this pact was the older generation of the middle class's ability, through its domination of the political machinery, to raise the real wages of salaried employees 41.9 percent from 1940 to 1954.[58] The middle-class

[57] Hamilton suggests that "transplantation" rather than "conversion" processes may account for liberal attitudes in some sectors of the middle class: "Those moving from what they sense as a working class background into the white collar occupations import their class identification and their economic liberalism. This would mean, contrary to the popular theorizing about the 'bourgeoisification of the workers' that the actual process is one of 'proletarianization' . . . of the lower middle class ranks . . ." Richard Hamilton, "The Marginal Middle Class: A Reconsideration," *American Sociological Review*, XXXI, No. 2 (Apr. 1966), 199. Given the extremely limited amount of social mobility in Chile, however, conversion is more likely than transplantation.

[58] Bohan and Pomeranz, p. 49.

governments of that period instituted a *sueldo vital* (basic salary, more or less) whereby the salaries of white-collar employees were automatically adjusted to price changes.

Many values of the old ruling class were adopted by sectors of the old middle class. This exacerbated Chile's economic ills. As Cohen points out in his study, "the growing middle class came under the consumption standards of the Chilean upper classes . . . and augmented the demand for luxury imports. . . . The demands could not be satisfied with the available foreign exchange, hence the need to print more paper money."[59]

The Radical party, depending on the bloated Government bureaucracy and the new bourgeoisie for political support, shifted to a moderately conservative political stance during the 1950s. "By the time of the second Ibáñez Government, the Radical Party had become so identified with, and had such a vested interest in, the existing administrative apparatus of the state that it had in an important sense ceased to be a party of innovation and reform."[60]

The Radicals, traditional party of the middle class, lost their popular appeal; no longer attracting the younger reform-minded elements from the middle class, it became the party of the public functionaries. As a junior partner in the Alessandri cabinet, it was unable to push further salary gains for its middle-class constituents. Lacking a new approach or appeal on which to base a program to dynamize the economy or control inflation, it supported the government's devaluation programs. Thus the Radicals were associated with a government whose policy had negative consequences for the bulk of the middle strata. As the malaise of the middle strata grew, the Christian Democrats filled the political-organizational vacuum on the "center-left." The Christian Democrats gained

[59] Cohen, p. 17.

[60] Donald William Bray, "Chilean Parties During the Second Ibáñez Government, 1952–1958" (unpublished Ph.D. dissertation, Department of Political Science, Stanford University; Stanford, Calif., 1961), p. 167.

the support of the majority of the middle strata, which was not willing to support either the status quo of Alessandri or the working-class-backed Left.

CONCLUSION

Chilean economic development has been limited by four mutually related factors: limited political participation and low productivity, and limited political access and limited access to consumer goods. I have tried to analyze Chile's limited social changes and signs of economic stagnation in the political context of the relationships between middle-class parties and the upper and lower class.

The major hypothesis that emerges from this analysis is the following: The middle-class–working-class Popular Front responsible for the events and policies of the formative years of industrialization and development (1938–1952) represented the middle class and not the lower class. It was an adaptation by working-class parties to a middle-class style of politics.

Two political factors have influenced social change and economic development: the extremely small number of lower-class people who are members of organized interest-articulating groups, and thus the limited sectors that are able to bargain in the political system; and the fact that political activity has been confined, occasionally by force, almost exclusively to participation in election campaigns and to voting. Both of these factors have seriously limited the ability of the lower strata and their leaders to articulate their interests or to challenge entrenched social forces.

The Chilean case shows a political balance between a traditional ruling class and longstanding, sizable Marxist (and earlier, anarcho-syndicalist) working-class parties. This produced the paradox of a country with a democratic ideology and extreme class differences, political stability and socio-economic stagnation, widespread destitution and the absence of a significant revolutionary movement. Chileans were steeped in a democratic tradition, even though very few peo-

ple actually participated in politics. Representative government was based on an electorate whose political behavior was largely controlled by the socio-economic elite.

The emerging middle class was the balance wheel in this system of paradoxes. It was eager for social recognition. It was willing to challenge the traditional elite, but only within the socioeconomic structure. Urban middle-class politics was characterized by partial mobilization of the population directed toward integrating the middle class into society. As the middle class emerged and the Radicals took power, Chile was gradually transformed into an urban-industrial society, but without sustained dynamic growth, without a shift in landholding or a marked rise in lower-class living standards. The principal vehicle for attaining political power was the working-class—middle-class coalition. The principal instrument for creation of the industrial base was government financing.

Claudio Véliz described the effective co-optation of the insurgent middle-class political groups and the shift in the style and content of their political behavior both during and after the Popular Front:

> In less than a decade [1940–1950], the leadership of the urban middle sectors became extremely wealthy. Using their access to the sources of power and their influence in the bureaucracy, they allocated tenders, granted licenses, exercised the traditional rights of patronage, and, even without outright corruption accumulated considerable fortunes . . . . No apparent contradictions developed between the aristocratic landowners and the wealthy radical leader: on the contrary, they became fast friends and political colleagues once the rising bureaucrat had bought land and race-horses, joined the local country club, and taken his first golf lessons. Thus in a relatively brief period of time the violently outspoken reformist leaders of 1938 became the sedate, technically minded and moderate statesmen of the 1950's. Once their foot was in the door, there was no more talk of demolition: now the problem was how to get inside the mansion of privilege. The leadership of the new urban middle sectors had gained access to the very sources of political power which they now shared with the traditional landed aristocracy . . . . Social climbing has thus become a political institution . . . an institutional factor which is actually

changing the political and voting habits of the entire urban middle class. The urban middle sectors, essentially conservative and conformist, fundamentally inclined to defend the status quo, emotionally ready to cast in their lot with that of the old order, are precisely the sectors which are now being asked to reform, to change, to lead their nations into a new era of development; . . . they cannot do this . . . for the simple reason that for them the opportunity for social advancement at home—the chance of entering the glittering mansion—is the best of all possible reforms.[61]

[61] Véliz, p. 27. On the political and administrative sphere as an avenue for social mobility in Latin America, see Kling, "Towards a Theory of Power and Political Instability," pp. 123–139. Much earlier, Pitrim Sorokin noted: "Among the ways of climbing used by such jumpers within present societies, the most common channel seems to be political activity in the form of work within the parties. . . . A great many of the contemporary statesmen have begun their careers on the extreme left and risen in this way; then as they rose, they have become more and more moderate and finally finished as relatively conservative people." Sorokin, *Social Mobility* (New York: Harper, 1927), p. 488.

5
THE POPULAR ACTION FRONT: THE POLITICS OF OPPOSITION

The second major force in Chilean political life is the Popular Action Front (FRAP). In order to understand this working-class political movement, we must first consider the activities of parliamentary representatives, and of the trade-union movement, which played an important role as an instrument of economic reform, social protest, and political expression after the failure of the Popular Front.[1]

[1] US Senate-commissioned study noted that: "Latin American labor has a high degree of class consciousness, just as have most classes in Latin America . . . Unionism from its beginning was allied to broad social and political reform movements of a revolutionary character. As a result unionism itself has not only a revolutionary tradition but it is even more accustomed to a revolutionary language. Pure business unionism of the U.S. type holds little appeal for workers raised in the circumstances and the traditions of Latin America, nor are the conditions such as to make it likely that business unionism would be particularly effective in a practical way." US Senate Committee on Foreign Relations, *United States-Latin American* Relations, 86th Congress, 2nd Session, Jan. 22, 1960, pp. 77–78. Social conflicts between social groups have taken diverse forms and expressed themselves in many ways throughout Chilean history. Broadly speaking, there have been three general types of social protest: the pre-industrial demonstrations and uprisings of artisans and mineworkers from the early 16th century to the middle of the 19th century; the springing up of vaguely political and social organizations such as the mutual-aid societies, as well as the beginning of political educa-

For some years after the Popular Front lost power, the working-class parties responsible for previous governments and their policies declined in influence. However, by the late 1950s the two working-class parties reemerged as national political forces. During the pre-FRAP period (1952–1955), the trade unions were the only left-wing opposition. With the formation of the FRAP, the Left increased its influence on national politics and became the focal point of popular opposition to government policy. The growth of support for the FRAP can be seen in each presidential, congressional, and municipal election of the late fifties and early sixties.

COALITION POLITICS AND THE LEFT

In its quest for socioeconomic change, the working-class movement has passed through several stages of development:

(1) *The mutual-aid period, 1850–1890.* During this era most of the working class was neither organized nor politically conscious. Political activity was generally limited to the organization of cooperative associations; small nuclei of workers looked to middle-class parties and leaders for direction. The first strikes occurred during these years.

(2) *The syndicalist period, 1890–1920.* Militant trade unions involved in direct action sprang up in this period. Embryonic independent working-class political organization also developed. Most politically conscious workers supported middle-class parties; however, most workers did not vote.[2]

(3) *The reformist period, 1920–1937.* A mass trade-union movement, associated with an independent working-class po-

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tion, that occurred from 1850 to 1900; and in the 20th century, the political organization of the working class into class-conscious groups that have competed with traditional elitist groups for social and political power. These political styles are not mutually exclusive, but overlap from one period to the next. James Petras, "The Chilean Political Process: The Emergence of Working Class Politics in Chile" (Unpublished M.A. thesis, Political Science Department, University of California, Berkeley, Calif., 1963), p. 52.

[2] The most important labor leader in these early struggles was Emilio Recabarren, who later became a founder of the Chilean Communist Party. See Luís Vitale (ed.), *Obras escogidas de Luís Emilio Recabarren*, I (Santiago, Chile: Editorial Recabarren, 1965).

litical movement advocating socioeconomic reforms, developed during these years.

(4) *The Popular-Front period, 1938–1950.* During this period working-class parties joined in government coalitions; trade unions and the coalition front achieved limited reforms. As the middle class achieved higher status and became integrated into the traditional elite, its support of social reform receded into the background. Large sections of the working class remained unorganized, especially in the countryside. Finally, the working-class movement fragmented and declined as it failed to win its objectives. This decline continued into the 1950s.

(5) *The resurgence of reformism and growth of the FRAP, 1956 to the present.* During this period, the labor movement has unified, and its political influence has increased rapidly. While the middle-class parties, the Radical party in particular, have mostly satisfied the desires of their social bases, the working-class parties have had much more limited success. Through co-optation by the ruling class, significant sectors of the middle class have achieved affluence and social recognition. However, the lower strata have remained in relatively difficult economic and social circumstances. The middle strata have some degree of upward social mobility; the lower strata do not. But the possibility of moving upward has caused even the less affluent middle strata to look only upward, to turn their faces from those below them. To the middle classes, social mobility has become "the drug that keeps hope alive and expectations flourishing while all around them poverty, misery and stagnation fill the social and political horizon."[3]

The working-class parties have also been co-opted, on a different scale, with the result that the Left has adopted the middle-class parliamentary style of politics.

Unable to gain a popular majority, the left-wing parties have turned to parliamentary bargaining, the trading of votes and support for influence on short-run issues. Popular-Front

[3] Claudio Véliz, "Obstacles to Reform in Latin America Today," *The World Today*, XIX (Jan. 1963), 27–28.

politics worked similarly, but on the level of the executive branch: the Left traded political support of the Radical government's general program in exchange for favorable treatment on immediately relevant issues.

SOCIAL MOBILITY AND POLITICAL OFFICE-HOLDING

Two-thirds of the Socialist politicians elected before 1965 rose in social position through their office either because they held office or because the fact of holding office bettered their subsequent employment. Three-quarters of those who held office prior to 1961 rose socially, again for the same reasons.[4]

Political office-holding has obviously been a vehicle for social mobility; and lower-middle-class and working-class leaders have obviously risen into the middle strata via their parliamentary seats. Moreover, the typical lower-middle or working-class leader, once gaining political office, often reorients his values and commitments.

A disproportionately large number of Socialist congressmen became more conservative or left the party after their terms expired. This was especially true during the period when the Socialist party was oriented toward coalition politics (from the 1930s to 1953).[5] The recent period is much more difficult to analyze, since there is no way of determining what present Socialist congressmen will do after their terms expire. Of the 38 congressmen elected before 1953, however, only 21 percent continued to support the Socialist party after leaving office. Eighteen percent turned to moderate groups, another 18 percent to right-wing groups, and 3 percent to other left-wing groups. (The other 40 percent either withdrew from politics, dropped out of sight, or died.)

So there seems to be considerable co-optation of left-wing

[4] This statement is based on data about the careers of 87 senators and deputies of the Socialist party that was provided by Clodomiro Almeyda, former Santiago regional organizational secretary of the Socialist party and former chairman of the sociology faculty at the University of Chile. The 87 are all the Socialist party representatives elected between 1932 (when the party was being organized) and 1965.

[5] See chap. 4 above.

insurgents in modern Chile. The process of political socialization tends to reorient the insurgent politician to private concerns, and to moderate or rightist parties. The parliamentary system, coupled with individual ambition, seems an effective brake on revolutionary politics, at least insofar as the Socialist party is concerned.

CLASS, PARTY, AND POLITICS

Chilean working-class movements have two prominent characteristics: the industrial working class aligns itself in specific *class* parties; and these parties are marked by parliamentary elitism. A stagnant economy, an upwardly mobile urban middle class, and a closed hierarchical society with its corresponding authoritarian value-system has generated its opposite: working-class political organizations envisioning an open, classless society. However, the leadership of these organizations tends to seek power primarily through parliamentary struggle, and to subordinate all other activity to electoral politics. The result has been that electoral politics (reaching a crux every four, six, or eight years) has been substituted for direct mobilization of the populace to political action. The concerns of maintaining the party's organization, legality, and resources have taken priority over direct confrontation with the ruling class. Thus the parliamentary representatives and their activity dominate the party; parliamentary activity has been substituted for the general struggle for working-class betterment.

Representative government has meaning only within the limits defined by the political consensus; in Chile, it has long been tacitly agreed by the forces holding economic, social, and military power that a government's legitimacy rests on the maintenance of the existing social hierarchy and distribution of wealth. O'Higgins was the first to prove that rocking the boat meant getting pushed out of it. It is this political consensus that has conditioned the parliamentary elitism of the leadership of the working-class parties. Mobilization of the population for political activity that could challenge the

arrangement of the social and economic institutions would cause the consensus to disintegrate. Political activity is thus channeled into the parliamentary arena.

Popular notions to the contrary, most Latin-American countries have a relatively high degree of institutional (as distinct from political) stability. This stability is illustrated in Chile by the continued tenure of many of the oldest families in important positions. A political consensus based on the stability of the traditional social hierarchy has been the cause and consequence of the immobility of the Chilean lower classes. The failure, to date, of Chilean working-class parties to achieve power and to implement their programs of socioeconomic reform has contributed to this state of affairs. Within the framework of Popular-Front politics, political consensus meant that working-class parties never seriously attempted to break the landowners' hold over the one-third of the working class employed in the countryside. The parliamentary elitist approach did not offer any political activity for those in the working class who were illiterate. It did not appeal to the *roto* ("the broken ones") for whom the selling of a vote had more direct consequences than the verbal opposition of a leftist politician in a distant parliament.

Functionally speaking, then, the parliamentary process has served as a means of containing insurgent groups and perpetuating social rigidity. For the leaders of the parliamentary Communist and Socialist parties, it has provided a means for achieving social status and upward mobility. For a large sector of the lower classes, the only means available for political action have been an occasional general strike, the dubious proposition of voting every six years, and a periodic street battle with the police.

The parties of the left have obtained bargaining rights, been recognized as legitimate by the political elites, and become the spokesmen for a stratum of organized industrial workers. In doing so, however, they have abdicated their role as spokesmen for the laboring class as a whole. As part of the bargaining framework, the parties of the Left have generally

kept labor struggles within manageable proportions by not articulating the demands of the nonindustrial poor and rural proletariat, who compose most of the working class. In its role as defender of the unionized industrial workers, the Left has raised the standard of living of that group, preserved its electoral base and access to office, and *widened the gaps* between different strata of the working class.

THE STATE OF THE POLITICAL PARTIES DURING THE LATE 1940s AND EARLY 1950s

During the late 1940s, there was a multiplicity of political parties resulting from the fragmentation of the middle- and working-class parties. By 1949, ten parties were represented in Congress, and another ten parties had been registered for the congressional elections of that year.[6]

The membership, electoral strength, and popular support of the parties that had been in power during the previous decade had declined considerably. In the 1953 congressional elections, the Radical party lost 24 seats (dropping from 42 to 18). The Popular-Socialist party (PSP), which had split with the Socialist party over the question of supporting the Radical government of González Videla, decided to support the Ibáñista movement. At that point, Salvador Allende broke with the PSP and became the presidential candidate of the Socialist party. The Socialist and Communist parties, until that time in bitter conflict, joined with other splinter groups to form the Frente del Pueblo (People's Front) to support Allende.[7]

The Communist party was prohibited from participating directly in the elections, and the names of its 30,000–40,000 members were kept off the voting registers until 1958, when the Law for the Defense of Democracy was repealed.[8] The fact that Allende, the presidential candidate of the People's Front, received only 52,348 out of 933,16 votes cast in the election indicates the weakened position of the independent working-

[6] Gil, *Genesis and Modernization*, p. 37.

[7] Alexander, p. 205.

[8] The Law for the Defense of Democracy outlawed the Communist Party and gave the government broad powers to prosecute individuals and groups for political activity.

class movement at this time. Every other candidate topped Allende's total by at least 100,000 votes.[9]

The only working-class party to make a gain was the PSP, which had opposed the González Videla government. The PSP elected twenty deputies to Congress. As supporters of Ibáñez, they heralded his victory as the beginning of a national revolution to end exploitation and accepted his invitation to join the new cabinet. It soon became evident, however, that not only was Ibáñez unwilling to usher in a national revolution, but that the elementary demands of labor were going to be disregarded. The Popular Socialists withdrew from the government barely six months after entering it, stating that their demand for abrogation of the Law for the Defense of Democracy, as well as the requests of striking metal workers, had been ignored.[10]

The political campaign of ex-dictator Ibáñez appealed to and reflected the electorate's shift in attitude. His victory was the result of the intrusion of new political forces and labor's political impotence. His campaign was an attack on *all* political parties, Left, Right, and Center, that had governed during the preceding years. He especially assailed the political bargaining and shuttling of ministers characteristic of the period when the Radical and working-class parties were in office. Ibáñez waged a "virulent campaign against the political organizations responsible for governing." He combined this with reformist promises (halt of inflation, repeal of the Law for the Defense of Democracy, national independence from foreign domination). As a result, he was able to capitalize on the "electorate's strong feelings of disillusionment with the existing parties and from the hardships arising from the ever-increasing inflation."[11]

In many ways, Ibáñez was a Bonapartist figure, counting himself above politics. In the eyes of voters who were on the verge of desperation and doubted the efficacy of party government, Ibáñez represented probity, uprightness, and strength.

[9] *Hispanic-American Report*, V (Sept. 1952), 27.
[10] *Hispanic-American Report*, V (Nov. 1952), 29; VI (Oct. 1953), 31.
[11] Gil, *Genesis and Modernization*, p. 37.

He swept every province except Coquimbo, where the large landowners maintained their influence. For the first time in Chilean history, most rural workers and tenant farmers defied the rightist landowners in order to vote for Ibáñez.[12] "Mass mobilization politics" came into its own during his campaign. Ibáñez' rise to power underlined the inability of the leftist parties to modernize Chilean society. His popular appeal was based on the desire of the populace to upset the entrenched power of the old social and political order. In the post-Popular-Front political and ideological vacuum, Ibáñez presented himself as the way out of a blind alley. He pledged that his government would overcome the ineffectiveness and impotence of the Left. He vowed to oppose the oligarchy, which maintained its privileged position in society without providing political solutions to pressing popular demands. Ibáñez understood that Chile was facing a crisis of political leadership. He also knew that the greater part of the nation sought leadership capable of rejecting the past and reorienting the country through a new institutional pattern. It is not incongruous that the symbol of Ibáñez' campaign was a broom, with which he would sweep out the mess in Santiago. The Ibáñez campaign can be considered a gauge of popular feeling. His sweeping electoral victory indicated a radical mood in favor of change. The Chilean electorate was by no means incapable of supporting a political leader who advocated a radical socioeconomic program while attacking parliamentary institutions.[13]

The wide political gap between the rural laboring classes and the large landowners indicated the declining social control of the landed elite and the new responsiveness of the

[12] Kalman Silvert, "A Political-Economic Sketch of Chile," *American Universities Field Staff Newsletter*, IV (Jan. 1, 1957), 20; *Hispanic-American Report*, V (Sept. 1952), 29; Gil, *Genesis and Modernization*, p. 40. In this context, Ibáñez can be seen as a forerunner of the Christian-Democratic "populist-corporatist" politics opposing the traditional Right as well as the Marxist parties.

[13] Silvert, *op. cit.*, p. 20. Many of the Popular Socialists who supported Ibáñez saw in him their own nationalist blend of "socialism." Some of the leaders of the Party even tried to conduct classes in which they hoped to teach their principles to Ibáñez, all to no avail. For a good discussion of socialism and nationalism, see Oscar Waiss, *Nacionalismo y socialismo en América Latina* (Buenos Aires: Ediciones Iquazí, 1961).

countryside to radical political ideas and innovations. Popular-Front politics had not taken cognizance of this rural awakening. Articulation of rural working-class grievances was left to Ibáñez. The basis of Ibáñez' victory was radically anti-status-quo; however, his regime tended to support the traditional Right.

For supporting the Radicals, the Communist party was made illegal, the Socialists lost influence, and the labor movement was weakened. As a result the rightist parties were strengthened. The weakened working-class movement was unable to present a viable alternative to the disintegrating Radical party because of its association with, and support of, the Radical program, politics, and leadership. The failure of the working-class parties can be traced to their inability to provide leadership capable of solving Chile's social and economic problems through institutional innovation. An example would have been reform of the system of land tenure. The Ibáñez victory showed the possibility of effecting changes through mass-mobilization politics. Ibáñez managed his victory partially by mobilizing the support of the "outsiders" (tenant farmers and the agricultural proletariat) and heterogeneous groups *against* the Radical party. As Silvert wrote, "In the face of this disintegration of the center and left, and still rejecting the old right, the Chilean middle and lower groups turned again to . . . *Caudillo* Ibáñez."[14]

SOCIOECONOMIC AND POLITICAL CONDITIONS DURING THE 1950s

The failure of the Ibáñez economic and social experiment set the stage for the resurgence of the Left. Under Ibáñez' regime, Chile's cost-of-living index rose 56 percent in 1953, 70 percent in 1954, over 80 percent in 1955, 40 percent in 1956, and 20 percent in 1957. Wages and salaries, however, remained stabilized (in 1955) near the 1952 maximum. Despite subsequent wage raises, a study in 1959 by the Economics Institute of the University of Chile suggested that the living

14 Silvert, "A Note on Chile and Argentina," *American Universities Field Staff Newsletter*, V (July 1958), 11.

standards of 1952–1953 could not be regained much before 1965.[15]

Agricultural production was virtually stagnant. Thus Chile, a potential agricultural-exporting country, had to use one-sixth of her scarce foreign exchange to import food, doubling the amount of her food imports between 1947–1950 and 1951–1954.[16]

In 1954, with workers complaining that they could not live on the wages they were receiving, a general strike was called in the mining industry. Ibáñez declared a state of siege and asserted that the provinces affected would be administered under martial law and that strike leaders would be exiled. In order to break the walkout, the strikers were automatically drafted into the Chilean army. The commanding general in the area, Yáñez, then ordered the new "recruits" to go back to work, threatening to court-martial any "deserters" who refused to comply. In addition to jailing and deporting strike leaders, reporters were exiled and circulation bans were imposed on several left-of-center magazines and newspapers. Political repression was intensified by Ibáñez in order to create a favorable climate for foreign investment. Among profit-maximizing inducements to foreign investors, he granted long-range tax exemptions, tax holidays, profit-remittance concessions, tax exemptions on profits reinvested in the country, and exemptions on capital imports by incoming investors. The response of foreign investors was not sufficient, however, to offset the flight of capital abroad and to spark new growth of the Chilean economy.[17]

WORKING-CLASS MOVEMENTS

The working-class political movement soon began a slow ascent toward again becoming a national power. The 1950s

[15] *Ibid.*, p. 14; *Hispanic-American Report*, VII (Jan. 1955), 36; Bohan and Pomeranz, p. 7.

[16] Silvert, *op. cit.*, pp. 7, 27. See chap. 1 above for a more detailed discussion of economic stagnation.

[17] *Hispanic-American Report*, VI (Jan. 1954), 32–33; VII (Oct. 1954), 28–29, (Dec. 1954), 32.

can be divided into two periods. During the first period, between 1952 and 1956, fragmented working-class groups moved toward unification. In the trade-union field this led to the formation of one labor confederation. In the political arena a broad electoral bloc emerged—the FRAP. The number of organized workers declined under the Ibáñez regime, but the combativeness of the working class as a whole increased, as shown by the growing number of strikes.

The years from 1955 to the mid-1960s have witnessed a rapid rise in the political influence of working-class parties. The trade-union movement, at a much more uneven rate, has gradually regained some of its previous cohesiveness and has added new members. The movement is composed of numerous small and fragmented affiliates in a generally decentralized federal structure, with rival central confederations. Some unions are legal and others are illegal; some are active and others inactive; some are genuine, others are company unions. This diversity makes it hazardous to estimate the actual strength of the working-class movement at a given period. For instance, James Morris's study, based only on legal trade unions, estimated the total 1959 trade-union membership at 262,300.[18] After making corrections for company unions, nonfunctioning unions, and dual membership, Morris reduced this figure to 200,000 members. However, by adding "illegal" unions and "associations" (of people prohibited from joining trade unions because of the law, that is, public employees, workers in enterprises employing less than 25 workers, and so forth), Morris reached the figure of 336,350 members (16 percent of the active population) as the organized membership of the labor movement. The number of trade-union affiliates (in 1959) was 1,472. The average number of members in each industrial union was 243, professional 99, and agricultural 83. A rough estimate of the strength of the labor movement in the 1950s may be made by examining the collection of membership dues

[18] James O. Morris *et al.*, *Afiliación y finanzas sindicales en Chile*, Instituto de Organización y Administración, Departmento de Relaciones Laborales (Santiago, Chile: Editorial universitaria, 1962), p. 22.

(see Table 36). Payment of dues serves as an index of support for the trade union.

As Table 36 suggests, the organized working-class movement began to decline soon after the war, and the process was accelerated during the Ibáñez period. Also, the proportion of organized workers declined relative to population growth and relative to the population engaged in the labor force (see Table 37).

Although organized membership may have declined, class consciousness and combativity continued at a high level. As Table 38 indicates, illegal strikes—strikes by nonrecognized unions or by recognized unions of which the government did not approve—increased sharply. The number of workers who participated in strikes in 1951 doubled the 1947–1950 average; 1952 figures doubled the 1951 total; a decline during 1953–1954 was followed by a rapid increase the following two years. Illegal strikes were of more frequency and involved more workers than those that were carried out under the pro-

TABLE 36

MEMBERSHIP DUES IN TRADE UNIONS, 1940–1959[a]

Year	Dues (in escudos)[b]
1940	752,959
1941	838,043
1945	854,021
1946	695,555
1950	854,021
1951	562,489
1952	558,686
1953	504,921
1954	444,310
1955	471,483
1956	424,396
1957	439,343
1958	701,738
1959	719,933

[a] Morris *et al.*, p. 42.

[b] The value of the *escudo* is based on the real value of the escudo in 1959.

visions of the Labor Code. Frequently the government attempted to impose a settlement on the trade unions in the name of national security. If the union rejected the settlement and continued to strike, the government usually declared the strike illegal, even if the trade union was a legal organization. Because collective bargaining often took place with each company within an industry (the only level at which legal unions could be organized), there was a large number of illegal strikes. In the previous period there were fewer strikes because government officials were at times more sympathetic to the economic demands of the workers: a union's demands were usually presented to management by a delegation of workers, and if the requests were rejected, appeal was made to higher echelons of government or to a political party. Often the Minister of Labor or even the President played the role of final arbitrator, with the result that settlements were often imposed rather than negotiated.[19]

The general strike became a means of working-class protest after the working-class parties had lost what power they had and the decline in real wages was felt. On May 17, 1954, for example, a one-day general strike was called. The copper mines were shut down, coal miners stopped work, and transportation services were paralyzed. The CUTCH, the strongest national labor organization in Chile, called the strike demand-

TABLE 37

DISTRIBUTION OF CHILEAN TRADE UNION MEMBERSHIP, 1932–59*

Year	Industry	Professional	Agricultural	Total	Percent Union Members in Labor Force
1932	29,442	25,359	—	54,801	—
1940	91,940	70,357	—	162,297	9.0
1952	155,054	128,329	1,035	284,418	12.5
1956	170,669	144,303	2,380	317,352	12.5
1959	149,711	110,933	1,656	262,300	9.6

* Morris *et al.*, pp. 20–22.

[19] Bohan and Pomeranz, p. 22.

TABLE 38

STRIKES IN CHILE, 1947–1958[a]

	Strikes			Workers Affected			Man-Days Lost[b]		
Year	Legal	Illegal	Total	Legal	Illegal	Legal	Legal	Illegal	Total
1947–50[c]	39	82	121	13,034	31,034	44,603	951,128	243,757	1,194,885
1951	44	149	193	25,619	63,014	88,633	881,850	703,564	1,585,414
1952	54	161	215	39,619	112,096	151,715	1,202,646	564,181	1,766,827
1953	60	148	208	54,628	68,480	123,108	1,141,691	311,196	1,452,887
1954	61	244	305	25,009	49,687	74,696	711,729	194,120	905,849
1955	62	212	274	23,557	104,649	128,206	356,928	742,237	1,099,165
1956	24	122	147	5,138	100,300	105,438	244,919	1,412,475	1,657,194
1957	12	68	80	8,722	17,616	26,338	—	—	—
1958	17	103	120	11,562	33,355	44,917	—	—	—

[a] Bohan and Pomeranz, *op. cit.*, p. 23; Servico Nacional de Estadistica y Censos, *Estadistica Chilena Sinopsis, 1958.*

[b] Figures not available for 1957 and 1958.

[c] Annual average.

ing repeal of the Law for the Defense of Democracy, amnesty for all political and social prisoners, and release of the president of the CUTCH, Clotario Blest.[20] Indicative of the internal struggle within the labor movement was the fact that groups such as the hospital, slaughterhouse, hotel, and other salaried unions refused to participate, which weakened the political impact of the strike on the government. In February 1956, with inflation still spiraling, the government instituted a wage freeze. The CUTCH, technically illegal, called for a general strike to protest the wage-freeze bill. The strike was only partially successful, since Ibáñez mustered 30,000 troops in Santiago to intimidate the strikers.[21]

In January 1953, the various labor organizations had together formed the *Central Unica de Trabajadores de Chile* (CUTCH). Like its predecessors, this confederation was loosely organized. Each federation and political tendency retained its autonomy. An executive committee composed of five Communists, four Popular Socialists, three Chilean Socialists, three Anarchists, two Radicals, two Social Catholics, and one Independent was elected. CUTCH, under the fiery leadership of Clotario Blest, formed the most active wing of the labor movement during the dark days of the 1950s. By late 1954, the relations of forces in CUTCH favored the socialist parties. The Communists were leading a much-reduced Miners Federation, the Metal Workers Federation, and the Construction Workers Federation, plus a few other unions of minor importance. The two Socialist parties controlled a much larger group: Railroad, Maritime, Hospital, Chemical, Pharmaceutical, and many other smaller unions.[22]

The Chilean Socialist party, the National Democratic party, and the Communist party formed an alliance in 1952 (the Frente del Pueblo) and attempted to regroup the scattered

20 *Hispanic-American Report*, VII (June 1954), 31.

21 *Hispanic-American Report*, IX (Feb. 1956), 30–31.

22 Jorge Barría, *Trayectoria y estructura del movimiento sindical chileno 1946–1962*, Instituto de Organización y Administración, Departmento de Relaciones Laborales (Santiago, Chile: 1963), p. 59; Alexander, p. 208; on Clotario Blest, see Luís Vitale (ed.), *Los discursos de Clotario Blest y la revolución chilena* (Santiago, Chile: Editorial POR, 1961).

working-class forces. In the 1953 congressional elections the Peoples' Front Alliance secured six seats out of the 147 being contested. During this election the Popular Socialist party was still allied with the Ibáñista forces. After the PSP withdrew its support of Ibáñez—the "national revolution" having failed to materialize—various alternatives were open to it: it could join with the Radical party and other center parties in a new version of the Popular Front; it could campaign as an independent party; or it could join with the Frente del Pueblo. The difficulty with the first possibility was that, in the eyes of the PSP and its supporters, the Radical party was by and large responsible for the failure of the original Popular Front and for the Law for the Defense of Democracy. In addition an alliance between the PSP and the Radicals would have been possible only under the leadership of the latter, in which case the socialists would have had to compromise most of their basic planks. An attempt to work alone could not have increased the party's parliamentary representation, and would probably have decreased it. Given the unification of the labor movement, the PSP found it difficult to remain completely separate from the other working-class parties. The third alternative, and the one adopted by the PSP, was to join the Frente del Pueblo. By joining the Frente the PSP united the working-class movement in the face of rightist opposition and maintained its nationalist-populist image. The Frente, because of its loose structure, allowed the PSP a great deal of organizational flexibility.

ORIGIN AND DEVELOPMENT OF THE POPULAR ACTION FRONT

The FRAP, formed in 1956, was composed of independent political parties that supported a common slate of candidates at election times, voted as a bloc in parliament, and mobilized their followers and provided speakers for demonstrations under common auspices. All parties participating in the FRAP had separate organizations, presses, and recruiting activities. In areas where branches of the various Front parties existed,

they consulted each other on the issues of the day. In arriving at common decisions, the local committees of the Front respected the independence of the affiliated parties.

The founding of the FRAP arose from the difficulties of the period. As the cost of living skyrocketed and Ibáñez began to enforce his austerity program (for example, the 1956 wage freeze), a general meeting of the left-wing parties opposing these measures was called. Out of this meeting in April 1956, the FRAP was organized, composed of the Popular Socialist party, the Peoples' Democratic party, the Democratic party, the Socialist party, the Labor party, and the Communist party. The combined total of these parties gave them 37 of 147 seats in the Chamber of Deputies, and 8 of 45 seats in the Senate.[23]

A mood of disillusionment and apathy pervaded the electorate due to Ibáñez's failure to contain the inflation. In the following month, in the municipal elections, only a fraction of the eligible voters turned out. The young FRAP won several victories as a result of its opposition to the austerity program, but was unable to capture the pool of voters disenchanted with Ibáñez.

Numerous political groups, fractions of political parties, and ad hoc political parties had supported Ibáñez's presidential campaign. Most of these Ibáñista parties either were absorbed by other political forces or disintegrated. The established rightist political machines were moderately successful; the Radical party did best, gathering a plurality of the vote. The legal restraints on the Communist party, and the government's frequent use of force to break up strikes, made it difficult for the FRAP to function; these factors, combined with the "immobility" of much of the electorate, the unfulfilled radical promises of Ibáñez, and the continuing socioeconomic power of the dominant groups in society, aided the traditional center and rightist parties' return to political control. Gains by the Radical party, specifically its left wing, indicated the absence of the left-right polarization that the FRAP's founders had anticipated. The Radicals, since they were out of office,

[23] *Hispanic-American Report*, IX (Apr. 1956), 135–136.

TABLE 39

1957 CONGRESSIONAL ELECTIONS[24]

Party	Chamber of Deputies	Senate
Right parties: Liberals and Conservatives	59	15
Center parties: Radicals and Christian Democrats	62	12
Left parties: Communists, Socialists, and National Democrats	25	13
Independents	—	5

were able to capture votes by opposing the austerity program of Ibáñez. The FRAP gathered about 150,000 votes, nearly three times the number Allende had received in the 1952 presidential election as a candidate of the Frente del Pueblo. Table 39 shows the breakdown of votes in the 1957 congressional elections.

By the end of March 1957, the Chilean people's political frustrations had reached the flash point. Demonstrations exploded in the capital city of Santiago, and for a short time the government lost control of the whole downtown area. The issue that touched off the protest was the government's decision to raise bus fares. The Student Federation, the youth sections of the Radical party (which were usually to the left of the adult party) and the Popular Socialist party provided what leadership initially existed; the labor movement as an organized body played little or no role. At a meeting to plan action against the inflation—wage-freeze scissors, the student movement was given equal representation with the labor movement on the executive committee.[25] Although it was

[24] Orlando Millas, "Anti-Imperialist Unity—the Guarantee of Victories of the Chilean People," *World Marxist Review*, IV (July 1961), 27.

[25] Frank Bonilla, "Students in Politics: Three Generations of Political Action in a Latin American University" (unpublished Ph.D. dissertation, Department of Sociology, Harvard University, Cambridge, Mass., 1959), p. 208.

then no stronger than in previous years, during the 1957 demonstrations the student movement filled the vacuum resulting from the weakness of the left-wing parties. When two students were killed, thousands of the urban poor joined in the street demonstrations. The army was called in, and street fighting ensued in which an American observer estimated that between forty and sixty persons were killed, hundreds were wounded, and thousands of rounds of ammunition were fired.[26]

The FRAP parties, with the possible exception of the Popular Socialist party, neither led nor supported the demonstrations. Instead, they called for an investigation to examine why the government had permitted so explosive a situation to come to pass. Whatever opportunities existed for channeling the anger of the masses into Left political action were not used. Some indignation was released in parliamentary nitpicking about whether the government had used improper methods. But the working-class parties did nothing on a popular level, and the lower class sank back into the old pattern of indifference, frustration, and apathy. Kalman Silvert, who visited the suburbs shortly after the rioting had subsided, recorded the attitudes of the middle class and the "better-placed Chileans." Their callous disregard for the conditions of the lower classes and indifferent acceptance of the caste-like divisions within society were succinctly put by one suburbanite: "Chile has never seen such a thing. What can you do with such bums? *Pum, pum, no mas*!"[27]

As the 1958 presidential elections approached, the working-class political movement grew bigger and more unified. The Chilean Socialist party and the Popular Socialist party fused into a single organization, rejecting a coalition with the Radical party. Salvador Allende, spokesman for the PSC-PSP fusion, was nominated to be the FRAP candidate. The Communist party was legalized when the Law for the Defense of

26 Kalman Silvert, "Requiem for a Number of Things," *American Universities Field Staff Newsletter*, IV (Apr. 11, 1957), 9.

27 *Ibid.*, p. 11.

Democracy was repealed a few months before the presidential elections.[28] The only non-working-class party in the FRAP, the Democratic party, was the product of a merger of the Democratic party, the People's Democratic party, the Agrarian Labor party, and the People's party. In 1961 the Democratic party, the National People's party (Partido Nacional y Popular), and the Social Democratic party merged and formed the third major party in the FRAP—the *Partido Democrático Nacional* (PADENA). In 1961, the Labor party, the Popular Vanguard, and a group called the Intransigent Radical Anti-Imperialists united into a fourth minor section of the FRAP, the National Vanguard of the People.[29]

THE GROWING ELECTORAL POWER OF THE FRAP

In 1958, the Christian Democrats nominated Eduardo Frei as their candidate for President. The Radicals nominated Luis Bossay; the Liberals, Jorge Alessandri; and the FRAP, Allende. The unified Left lost the election by 35,000 votes out of 1.3 million cast. This margin was approximately equal to the votes garnered by a last-minute unknown "independent"

[28] A successful general strike that paralyzed most economic activity was instrumental in convincing Ibáñez that a legal Communist party would be more likely to help maintain order. It is interesting to note that the number of militant activities the Communists were willing to support after they achieved legality declined significantly.

[29] *Hispanic-American Report*, XIV (Nov. 1961), 689. In 1964 most of the PADENA went over to the Christian-Democratic party. A few comments on the National Vanguard of the People (VNP) may illustrate the character of some of the leftist "parties" and their leaders. The VNP is the personal vehicle of Baltazar Castro. With Communist support, and despite Socialist opposition, he received 15,000 votes to win a Congressional seat representing Colchagua and O'Higgins. Part of the agreement reached between Castro and the Communists was that the VNP would vote with the CP in parliament, despite the fact that the VNP's political line was nationalistic, and close to the third-camp position of the Socialist party. Castro, during the course of his career, was a member of the Chilean Socialist party and of the Popular Socialist party, President of the Chamber of Deputies (under Ibáñez), an honored guest of the Soviet Union, a member of the *Partido del Trabajo* and later the *Vanguardia* group, and a member of the Senate (with CP support, while he continued to praise the central leadership of the Socialist party). He finally turned to support the Frei government. This may give some credence to the charge frequently heard in Chile that many of the old-guard leaders of the popular movement are men of talk, not of action—and not of principle, either.

TABLE 40

RECENT ELECTORAL RESULTS OF MAJOR POLITICAL GROUPS[a]

1958 Presidential Bloc	1958 Presidential Vote		1960 Municipal Vote		1960 Municipal Candidates Elected	
	Total	Percent	Total	Percent	Total	Percent
Jorge Alessandri Liberal Conservative Union Comandos Populares Democratic Republican Movement of Chile	387,297	33	363,991	32	645	42
Luis Bossay Radical Democratic Social Democratic	190,830	16	283,948	25	414	27
Salvadore Allende FRAP Socialist Communist Labor Popular Democrats Radical Doctrinary	352,915	30	276,045	24	240	15
Eduardo Frei Christian Democrat Popular National	255,168	21	224,001	19	251	16
TOTALS	1,186,210	100	1,147,985	100	1550	100

[a] *Hispanic American Report*, XIII (June 1960), 268.

leftist who some suspected of being a stalking-horse. The FRAP campaign attacked the wage freeze, the austerity program, and foreign investment, and supported welfare measures and national industrialization. A significant result of the election was the decline of the Radical party, whose candidate finished last among the big four with about 15 percent of the total vote. The social polarity of the populace, with the upper and middle classes on the one hand and the lower classes on the other, expressed itself in the political polarity of the FRAP and the traditional rightist groups, which had been building up in the electorate for months preceding the election.

The Radical party's sudden loss of electoral support and the gains of the FRAP were not as clear-cut in the municipal elections. On the local level personalities and the pork barrel were more important than issues.

In the Congressional elections of 1961 the combined total of Socialist, Communist, and PADENA deputies increased from 25 (in 1958) to 39. The Radical, Conservative, and Liberal parties, which controlled 96 seats in 1958, captured but 85. The PDC maintained its 23 seats. The results of the Congressional elections of 1961 indicated the growing electoral strength of the FRAP and the decline of the traditional Rightist parties, the Liberals and Conservatives.

Because of the combined opposition of the FRAP and the Christian Democrats, the right-wing parties needed the support of the Radicals to obtain the congressional majority necessary to carry out their austerity program. The Communists made the most spectacular gain, capturing five out of the 25 senate seats and more than doubling their representation in the Chamber of Deputies. The principal losers, in addition to the traditional rightist parties, were the unaffiliated splinter groups. Politics was crystallizing into three blocs: the Right (made up of the Liberal, Conservative, and Radical parties), the Center (largely the Christian Democrats), and the Left (the FRAP). The FRAP was increasingly becoming the spokesman for the working class (especially the urban trade-

TABLE 41

CONGRESSIONAL ELECTIONS, 1961[30]

		Membership in Senate	Chamber Membership	Previous Chamber Membership
Government Coalition	Radical	12	40	40
	Liberal	9	27	33
	Conservative	5	18	23
		26	85	96
	Christian Democrats	4	23	23
FRAP	Communists	5	15	6
	Socialists	7	12	8
	Democrats	0	12	11
		12	39	25
	Independents	3	0	3

[30] *Hispanic-American Report*, XIV (May 1961), 24.

union sectors), the lower middle class (especially its sons in the student movement), and the rural proletariat. Notwithstanding the FRAP's impressive gains in the late 1950s and early 1960s, the traditional parties appeared to be still solidly entrenched, if a bit shaken. However, the FRAP made inroads for the first time in the agrarian provinces of Aconcagua, O'Higgins, Colchagua, Talca, Linares, Maule, and Arauco. After the elections, the FRAP did not attempt any large-scale political mobilization of the rural working class, thus forestalling any decisive shift in the relationship of forces: the various gains and losses came from those who were already politicalized.

COMPONENTS OF THE FRAP

The Communist party is one of the two major political forces in the FRAP. The Communists envisage Chilean political development as passing through two stages. The first is referred to as the "democratic revolution" and is defined as anti-imperialist, anti-feudal, and anti-monopoly. During this period government policy is to be oriented toward "extending democracy [agrarian reform], expanding the state sector of the economy so that it should become the dominant sector which would play a progressive role and clear the way for independent economic advance, raise the standard of living and take the way of planning. . . ." After these tasks have been performed, the second stage is to be inaugurated, during which "the working class becomes the leading force, [and] the way to socialism will be cleared." Implementation of the democratic revolution requires some sort of land redistribution, expropriation of foreign-investment holding in the extractive industries, social-welfare measures for the lower classes, and increased trade-union organization. The Chilean Communists hold that the democratic revolution will be accomplished through elections: "A victory for the people in the presidential elections, while in keeping with the national traditions and aspirations, would correspond also to what we can describe

as the normal and most likely line of development. The revolutionary process is developed on peaceful lines, the lines indicated by our own party." The Communists rely on a multiclass coalition to carry out the democratic revolution: "the popular movement . . . the growing worker-peasant alliance, and by close links between the working class and the urban petty bourgeoisie and part of the bourgeoisie."[31]

In this working-class—middle-class alliance, the middle class is expected to play an important role. In a letter sent to the Christian Democrats and the Radical party, the Communist Central Committee ". . . addressed a call to the Christian Democrats and the branches of the Radical party urging them to act in unison with [the Communists]."[32] Chilean Communist policies are in accord with the Khrushchevian position formulated in 1956 and 1960 on the "peaceful road to socialism" as a corollary to "peaceful coexistence of different social systems."

Communist party policies and efforts have been oriented toward involving middle-class political groups in the FRAP, even to the extent of willingly accepting middle-class party leadership. At the Tenth National Congress of the Chilean CP in May 1956, "Workers were called upon to join small industrialists and landowners against the government's economic stabilization."[33] In discussing the policy of the student section of the Communist party, a student leader wrote, "The need to wrest the leadership of the student movement from the Christian Democrats has lately become urgent. The way to success lies in the unity between the Popular Action Front and the Radical groups in the University. But the Socialists reject unity on the ground that the Radical Party supports the reactionary and pro-imperialist government led by Alessandri . . . this reflects in the University the position of the Socialist Party which rejects any alliance with 'non-labor'

31 Luís Corvelán, "The Struggle for a People's Government in Chile," *World Marxist Review*, V (Dec. 1962), 17, 19, and 22.

32 "Building a United Anti-Imperialist Front: A Symposium," *World Marxist Review*, VI (Jan. 1963), 75.

33 *Hispanic-American Report*, IX (June 1956), 252.

parties or groups."[34] Reference to "unity" and "alliances" are often somewhat misleading, for Chilean history discloses that these alliances involved the middle-class party's domination and leadership of the coalition. Indicative of the nature of the Chilean Communist policy is the fact that the party invited both Betancourt (then President of Venezuela) and Castro to Chile to celebrate the creation of their respective new governments. At that time Luís Corvalán, a Chilean Communist leader, made a speech in which he heralded the "new revolutionary leadership of the bourgeoisie."[35]

The program of the Socialist party, the other major component of the FRAP, focuses on nationalist-populist demands: "diplomatic and commercial relations with all nations [that is, Russia and China], a new constitution, agrarian reform [expropriation and division of the *latifundia*] and a nationalization program to include the copper and nitrate mines, privately owned monopolies and public utilities." The main difference between the Socialist party and the Communist party lies in their attitudes toward foreign policy and their relationships with middle-class parties. The Socialists are neutralists and align themselves with Tito and Nasser. At the time of the Hungarian Revolution, Allende, the Socialist leader, spoke of "Hungary, oppressed, bloodstained and broken by Soviet arms."[36]

The Socialists rejected Communist attempts to delegate the leading role in the FRAP to middle-class parties. Instead they called for a "workers front," a combination of working-class parties that would lead and control any alliance with other parties. Thus at a Socialist party congress, former

[34] Pedro Gómez, "Our Position Among the Students," *World Marxist Review*, IV (Sept. 1961), 53.

[35] *Hispanic-American Report*, XII (July 1959), 282, and (Oct. 1959), 452. Castro turned down this invitation and has, since then, repeatedly censured the "revolutionary" bureaucrats of Latin America. Betancourt proceeded to jail hundreds of militant nationalists and communists who tried to implement the "democratic revolution" in Venezuela.

[36] Hispanic-American Report, IX (Jan. 1957), 597; XII (July 1959), 283; XIII (Feb. 1961), 914. For a summary history of the Socialist-party congresses, see Julio César Jobét, *El socialismo Chileno a través de sus congresos* (Santiago, Chile: Editorial Latinoamericano, 1965).

party leader Corbalán "supported the position taken by the Students' Federation in refusing to enter into a pact with the Radicals for a common struggle with the Communists."[37]

The program that the Communists, Socialists, and PADENA agreed to support in the FRAP emphasized the "elimination of unemployment through policies designed to increase industrial, agricultural and commercial activities and public works; the establishment of diplomatic relations with all nations of the world to aid economic development; and an increase in the salaries and consumer power of the workers by raising national income." A broad program of economic development was to be partially financed by income gained by nationalizing the copper, nitrate, and iron industries, and credit organizations and public utilities. The petroleum industry was to be protected from foreign capital, and monopolies were to be liquidated. A proposed agrarian reform encompassed the expropriation of large properties, which would be turned over to small farmers, plus the organization of cooperatives and the making of provisions for financial assistance. In addition the program sought a reform of the electoral system granting universal suffrage to persons over 18 years of age, including illiterates (about 20 percent of those of voting age). Social-welfare programs involved the construction of housing, schools, and hospitals. In line with the neutralist position, the FRAP asked for annulment of the military pact with the United States and Argentina.[38]

To date, the Socialist party has been able to hold the FRAP to a policy of maintaining a labor front and to a more-or-less neutralist foreign-policy position while expanding its influence.[39] On the other hand, the Communists have made considerable progress in recruiting new members and in electing congressmen, and have expanded their influence in the countryside and the trade-union movement. In 1958 the Commu-

37 *Hispanic-American Report*, XII (July 1959), 283, (Dec. 1959), 565.

38 *Hispanic-American Report*, XIV (Mar. 1961), 65.

39 The Socialist party is, at least verbally, closer to Fidel Castro's policies for Latin America than are the Communists, who tend to follow the Soviet position.

nists claimed to have increased their membership by 35 percent, and by 1959 to have doubled their membership. The Communists gained a majority on the executive board of the Central Labor Confederation. Between May and November 1961 the Communists announced a total of 10,000 new members and 456 new branches, including 264 factory branches and 46 women's branches.[40]

Their energetic support of trade-union activities and of homeless workers squatting on the land brought in many of these new members. For example, during strikes, the Communists organize food and clothing drives, send congressional deputies to the picket line, marshal sympathy protests, and in general present themselves as spokesmen for the workers against their employers. A significant minority of workers, in response to this energetic grass-roots activity, frequently joined the party. But the party's actual recruitment is probably exaggerated in their public information, and the turnover in membership (due in part to members' joining because of concern over specific grievances in which the party was involved) should temper any evaluation of strength. The key to the Communists' growing influence is their effective organization and energy at the grass-roots level. The Socialist party, divided into various factions and less organized at the bottom, has also grown with the popular shifts to the Left, but not as rapidly as the CP.

The Socialist strategy of a *frente de trabajadores* as opposed to the Communist *frente de liberación nacional* is ambiguous enough to allow the various factions of the Socialist party to coexist uneasily together. Some interpret the *frente de trabajadores* to mean noncooperation with the so-called national bourgeoisie. Others interpret *trabajadores* in a broader sense, including "national industrialists," and hence do not reject coalitions with other classes.

The Communists see the major task in the struggle for national liberation as the defeat of "feudal" elements. Communists divide society along class lines in accordance with

[40] J. González, "Chile: Successful Recruitment Campaign," *World Marxist Review*, V (May 1962), 60.

their vision of Chile as a preindustrial society.[41] From this analysis they have deduced the idea that the "progressive bourgeoisie" is a leader of all oppressed groups of Chilean society in opposition to the advanced capitalist nations and the "traditional" landowners. The fundamental conflict, as the Communists see it, is between the "emerging nations" and the "imperial" center.

Communist writers overlook the links between the Chilean industrial capitalists and the traditional landowners based on the movement of capital from one sector to the other. While the conflicts that might develop between US and Chilean investors has been emphasized, very little attention has been paid to common interests, policies, and interlocking relations between Chilean and US business interests. Whatever differences occasionally develop, both of these groups have closed ranks to defend a high rate of profit and private ownership of property. Both have shared a fear of social movements whose demands might threaten these interests. Furthermore, the lower classes have found it difficult to distinguish between low wages and substandard social conditions under the aegis of "progressive national capitalists," and those received under the influence of foreign investors. In most instances the working class has obtained better conditions from foreign companies. Because Chilean Communists overlook the industrialized nature of modern Chilean society and the growth of large-scale monopolies, their analysis understates the cleavages that have developed between the "national bourgeoisie" and the working class. Extreme differences in the incomes of national social classes have led to differences in political outlook, economic interests, and social attitudes. Discussing the changing relationship of the lower class to the middle class, Johnson wrote:

For at least two decades the trend has been for commerce and industry . . . to become domestically controlled. Domestic capitalists, as a result, have been called upon to carry an augmented share

41 See Luís Corvalán, "Seguir avanzando con las masas" in *Documentos del XIII congreso nacional del Partido Comunista de Chile* (Santiago, Chile: June 1966); Also Orlando Millas, "El reformismo democrata cristiano: Experimento Chileno," *Nuestra Epoca*, No. 11 (Nov. 1965), pp. 73–78.

of the costs of wage gains and other benefits to labor. As the pressure upon them grows, they increasingly insist that the public good requires that the concern should be on expanded production rather than on equalitarian distribution. . . . The growing political influence of the industrial and commercial elements of the middle sectors has already forced the politicians to take cognizance of the arguments to the current disadvantage of the laboring components.[42]

The national bourgeoisie has been interested in the protection of its present status in society and the institutions surrounding its wealth and power, not in revolutionary alliances such as those proposed by the Communists. The political view of the Communists stressing middle-class hegemony over the working class seems to be less relevant to existing class relations in Chile, and perhaps more a reflection of Soviet desire to minimize involvement in the hemisphere. However, the inadequacies of the economic and social analysis underlying this theory has not prevented Communists from carrying out aggressive activity at the trade-union or enterprise level.[43]

Shortly before the election of Frei, a substantial portion of the third party in the FRAP, the PADENA, defected to the Christian Democrats. When it was part of the FRAP, the PADENA was composed of three factions: the Partido Democrático of nineteenth-century origin; the Partido Nacional Popular, a fusion of the remnants of the Agrarian Labor party and other Ibáñista groups; and the Social Democratic party.[44] Both the Partido Democrático and the Partido Nacional Popular were of non-Marxist background. As middle-class nationalists, they rejected traditional elites because these elites had ceased to be sufficiently dynamic to bring about a national regeneration. PADENA leaders argued that national development was the offspring of the "creative" middle class leading

[42] Johnson, *Political Change in Latin America*, pp. 185–186.

[43] In 1966, as the Communists took a position of critical support of the government, their latent differences with the Socialists came into the open. The Socialist party sharply criticized the Communists on the tactical level, but carried the discussion no deeper. See Documentos del Partido Socialista, *El socialismo y la unidad* (Santiago, Chile: 1966).

[44] This last faction was, as of September 1966, still part of the FRAP.

the lower classes. Their doctrines were ambiguous. Their leadership was largely undistinguished; their leaders as is often the case, were preoccupied with personal advancement. The only unifying ideas among the various personal factions was a strong emphasis on nationalism. Many of the leaders were attracted to the everpresent fascist element in Chile, especially during the 1930s. Some on occasion endorsed the corporate state, and all favored state interventionism—but not a socialist economic policy. The Radical newspaper, *El Debate*, once declared that the "functional democracy" many of these groups espoused was a euphemism to cloak the vague outlines of a fascist organization.[45]

The other faction in the PADENA, the Social-Democratic group, split from the Socialist party in October 1959. It was vigorously anti-Communist, and looked toward an alliance with the left wing of the Radical party. However, it favored trade relations with the Soviet Union and self-determination on international issues. A strong backer of Allende's candidacy in 1964, this group was uneasy over possible Communist domination of the FRAP.

In 1960, PADENA's component parties held 20 of 147 seats in the Chamber of Deputies and 6 of 45 seats in the Senate. In the 1961 congressional elections, PADENA was reduced to 12 deputies and no senators. Since then it has declined even further; it will probably disappear in the near future. With its shifting orientation, the heterogeneous PADENA maintained a precarious existence outside of the major political blocs. The willingness of the leaders of the middle-class party to align with both working-class Marxist parties and middle-class Catholic tendencies can be understood in view of their overriding concern with attaining office.

OVERVIEW: THE LEFT IN CHILEAN POLITICS

During the period under consideration (1950–1967) Chilean left-wing politics manifested general characteristics that

[45] See chapter 6 below for a discussion of corporatist trends within the Christian-Democratic party.

occurred repeatedly enough to show a pattern of political behavior.

The instability of left-wing political parties, and their continual fragmentation, was an everpresent factor in Chilean politics. This process of political fission frequently resulted in splits *ad absurdum*, so that by the early 1950s, a multiplicity of Marxist and socialist parties were in existence. Political fission resulted in the growth of new groups rather than additions to already established ones, a process that was most visible during the early 1950s, when there was no focal point for left-wing electoral activity.[46]

Segments of left-wing political parties tended to form coalitions in their common pursuit for political influence throughout the period. Factions that were inflexible inside a party frequently compromised and joined forces when they were separate organizations. The ease with which left-wing leaders and their followers withdrew from one political party and entered into another resulted in the political balance of power being subject to sharp changes. This phenomenon also induces one to assume that commitment to political values may have been of less importance than the shifting axis of organizational power in determining the affiliation of any given political group.

As the traditional left-wing groups (Communist and Socialist) declined, new ones proliferated. Each new group assumed that it could become the new pole for mobilizing opposition. When a new pole of organized political power, the FRAP, did come into being, cohesion replaced fragmentation. Political forces preferred to join with the established parties (Socialist and Communist) rather than remain outside in a competitive position. This in turn had a "multiplier" effect: to the extent that new groups joined the established "pole," they strengthened its image as *the* Left organization and discouraged political fission.

[46] In mid-1967 a new split occurred in the Socialist party. Senator Raul Ampuero, the former Secretary-General, broke with the present leadership represented by Aniceto Rodriguez, probably because of loss of organizational control.

During the 1950s, left-wing political opposition was expressed in three fairly distinct forms, corresponding to changing political and social milieux: syndicalism, popular demonstrations, and parliamentary politics. Though all three forms of opposition appeared throughout the period, the degree to which one form or another predominated varied.

Political opposition can be analyzed in terms of organization, method of expression, and demands. The trade union was the central organizing unit of syndicalist opposition; its method of expression was the general strike; and its demands were usually both economic (higher wages) and libertarian (repeal of the Law for the Defense of Democracy). The period of syndicalist opposition lasted from about 1952 to 1956, and coincided with repressive and frustrating political conditions in the country. One of the major working-class political parties was illegal, and the others were repeatedly harassed or repressed. The working-class parties that did function legally were ineffective and were held in low esteem by the working class because of their previous performance. The "charismatic" leader, Ibáñez, was inept and clearly failed to achieve his stated aims after a highly intensive campaign. The parliamentary system and the political representatives were ineffective or unwilling to solve problems of direct relevance to the populace.

Popular demonstrations were spontaneous occurrences without any continuing organizational core. Street action was the method of expression, and the demands were often either negative (against a government-imposed increase in bus fares) or related to illegal proposals (demands for wage raises in opposition to stated government policy). Popular demonstrations generally took two forms: there was a socially and numerically significant rise of illegal strikes (in the mid-1950s) and mass rioting (in Santiago in late March and early April 1957). They grew out of the failure of general strikes to ameliorate social conditions, combined with the curtailing of trade-union activities (which partially eliminated the last large-scale organized force for political expression). The continued impotence

of the Left and the deterioration of social conditions, the severe limitations on individual civil liberties, and the extension of repression to nonworking-class groups (for example, the killing of a student during a demonstration in 1957) also gave rise to popular outbreaks.

The psychological malaise that led to these spontaneous outbreaks of violence was linked to deteriorating social conditions. The usual channels through which popular discontent had previously been expressed were partially or completely closed, resulting in increased frustration and alienation from the established institutional arrangements. Also, popular indignation was heightened by a feeling of betrayal when Ibáñez, having created an image of himself as an enemy of the traditional groups, turned around and became their staunchest defender. If it was true, as one Chilean political psychologist suggested, that Ibáñez gained wide popular support as a father figure, then it was also possible that he earned the hatred of the lower classes as a "deserter of the family."

Parliamentary politics was the third form of political opposition. The Popular Action Front was the organized expression of this form of opposition, which expressed itself through representatives elected to Congress and sought to carry out a program of socioeconomic reform. Parliamentary opposition clearly predominated from 1957 on. The factors conditioning the development of a parliamentary opposition included legalization of all working-class parties and abrogation of politically restrictive legislation; the failure of syndicalism and popular demonstrations to achieve any notable success; a gain in the relative effectiveness of party organizations, as the FRAP presented some semblance of cohesion and agreement on a common program; the ability of the left-wing parties to pose a clear alternative to the old order; the emergence of party leaders as spokesmen for lower-class grievances, thus providing an outlet for discontent; and increased popular belief in the claim by left-wing parties that popular goals could be achieved through parliamentary activity and elections.

Party organization and environmental factors were instru-

mental in left-wing political recovery. Development of integral class formations such as the FRAP were important in reducing internecine conflict, focusing opposition on the traditional classes, and combining the limited resources of the separate groups. By organizing more efficiently, the Left was able to raise the morale of its supporters and offer a more coherent leadership and program. After 1956, when most of the important groups that currently compose the FRAP coalesced, the expansion of its influence was accelerated. The importance of organizational integration can be gauged from the fact that the period during which the Left functioned as an effective force in national politics coincided with the period of greatest organizational cohesion. Conversely, the period of greatest fragmentation coincided with that of least political effectiveness.

This recovery of the traditional leftist parties was also related to the fact that other groups (both new and old) were unwilling to work for institutional innovations, or to implement political programs capable of alleviating the problems of the poor. The absence of an effective political reform group forced the sector of the electorate that was convinced of the necessity for social change to rely on the only organizational forms available, the Socialist and Communist parties.

Underlying this left-wing recovery was the continuance of major social incongruities and economic dislocation, both of which generated discontent and the search for alternatives. The absence of political alternatives caused this discontent to return to the "old Left."

The Radical, Liberal, and Conservative parties continued to be defenders of traditional elitism and the status quo. They failed to adapt to the needs of major blocs of new voters, preferring incremental changes to major reforms. For many in the electorate, the *practical* choice was between the dominant elites and the "outs," the PDC or the FRAP, which (despite the past record of the Left) showed promise of a different future. "Revolutionary changes" became a popular slogan. The mass of politically aware citizens contrasted their im-

mediate condition with what they had been led to expect. The gap that existed between expectations and reality made the present order unacceptable to the lower classes.

Because of widespread political malaise, the FRAP was able to recapture and even extend its influence among the voters. Its near-success in the 1958 presidential elections represented a high point in the recent resurgence. During the years of Alessandri's rule, unification both inside the FRAP and within the party system was as a whole continued, while splinter parties virtually disappeared. FRAP influence has grown in the urban lower class and has strongly penetrated rural areas.

In the 1964 election, Allende and the Marxist left made impressive gains, especially among male rural workers in the central valley (the home of the traditional ruling class). In the rural central provinces of Aconcagua, O'Higgins, Curicó, Talca, Maule, and Linares, 52 percent of the male vote went to Allende. A few years ago this area was one of the bastions of conservatism and was utilized by rightist parties to overcome the previously urban-based Left parties. There has since been a realignment of sociopolitical forces. The traditional rightist parties declined in influence, while support for the Left in the countryside increased. The middle sectors shifted to the moderate Left; the newly awakened rural workers and poor peasants to the radical Left.

In addition to the northern mining area and the rural labor force, Allende scored heavily in the iron-mining area of La Higuera (75 percent of the vote); in the area of the cement industry in Nogales and Calera (60 percent); in the ugly and desperate coal-mining areas of Coronel and Lota (72 percent); throughout the coal-mining province of Arauco; and in the meat-packing southernmost province of Magallanes. The FRAP's main political support, however, was among the male industrial workers. The municipalities with the highest proportion of industrial workers were also those most likely to give Allende a high vote (see Table 42). The more modern, industrially developed parts of the country contained the

largest proportion of workers who voted for a Socialist candidate. Likewise, middle-class areas, for example the municipalities of Las Condes and Providéncia in the province of Santiago, voted overwhelmingly for Frei.

During the 1964 presidential election the FRAP made heavy inroads in agricultural areas where the rural labor force received wages, and where the province contained some mining industries (which are often used as a base of operation by leftist organizations). In Coquimbo, in the agricultural counties of Salamanca, Mincha, Illapel, and Combarbala, Allende received over 61 percent of the vote.

But the FRAP has not reached large portions of the lower class, which are to a considerable degree under the influence of the Christian Democrats. A majority of the working people have not yet been organized into trade unions, especially in the low-wage occupations. Many unemployed have yet to be made to feel that the FRAP is a movement with a future in which they will have an important role to play. One-fifth of the voting-age population is excluded from even making a political choice in elections because it is illiterate. Many have become cynical or are in despair because of the repeated failure of leftist politicians to keep their promises once they at-

TABLE 42

THE URBAN INDUSTRIAL WORKING CLASS AND THE MALE VOTE FOR ALLENDE, 1958 and 1964

Proportion of Industrial Workers in Municipalities' Labor Force	Proportion of Municipalities with "High" Allende Vote*		
	1958	1964	Number of Municipalities
40+	96	100	24
30–39	71	96	24
20–29	52	70	23
10–19	42	67	24
under 10	—	—	1

* We define "high" Allende vote as 30 percent (the national average) and over in municipalities in 1958, and as 40 percent (the national average) and over in 1964.

tain office.[47] The FRAP's chances of achieving power are hindered by the image of the Left as simply another political machine whose middle-class leaders utilize political office as a ladder for social advancement. The FRAP will succeed only if it can conquer its past; it must learn from its failures or succumb once again. It must reach a population that is not presently involved in politics or be reduced to compromising its principles with a middle-class party in order to achieve a temporary electoral majority.[48]

The FRAP's ability to put its socioeconomic program into effect *and* achieve support from a majority of the population could hinge on its appeal to those people who are of the society, but not in it. Thus far the organization and strength of FRAP permit it to make a bid for power.

[47] The current leaders are not ignorant of these and many other problems challenging the Left, but they find it difficult to implement a program of action. See for example Oscar Núñez, *Chile visto por los trabajadores* (Santiago, Chile: Editorial Latinoamericana, 1964), and Luís Vitale, *Historia del movimiento obrero* (Santiago, Chile: Editorial POR, 1962).

[48] By the end of 1967 there was a working agreement between the FRAP and the Radical party. With Radical votes Allende, a Socialist, was elected President of the Senate, President Frei's request for Senate approval to make a trip to the US was rejected, and former Socialist Senator Corbalán's widow was elected senator. Behind these deals, apparently, the Radicals hope to obtain FRAP support for a united presidential ticket in 1970 behind the Radical leader Baltra. Apparently many Communists and some Socialists would like to revive the Popular-Front strategy, and may support the Radicals.

6
CHRISTIAN DEMOCRACY

Christian Democracy as a mass movement is a new phenomenon in Chilean politics, although it is somewhat similar to earlier political movements. It competes with the Left in its appeal to populist or reform sentiments, but at the same time maintains firm social and economic ties with business and foreign entrepreneurial groups. It is similar to moderate groups like the Radicals in its rejection of the traditional Right and the Marxist Left, but, unlike the traditional moderate reform groups, is intent on building a continuing mass organization, one active in more than electoral campaigns. The Christian-Democratic social orientation is less "consumptionist" or "redistributive" than the Radicals', and more directed toward increasing production and technical efficiency.

Its all-embracing organic view of the "communitarian society," and its focus on the need for dynamic changes and dynamic leaders, have caused many to regard Christian Democracy as a movement for national regeneration. Its practical mode of operation gives new vitality to the traditional social structure by building new institutions and mobilizing unused resources around national goals.

The ideological component of the Christian-Democratic

movement is generally vaguely defined; there is no general agreement on the meaning (let alone the application) of basic ideas. For example, to one group of Christian Democrats "communitarianism" seems to mean socialism: collective ownership of productive units and the elimination of private exploitation of labor are prime goals.[1] Others see communitarianism as management and workers jointly making decisions, working in a mixed economy of the European Christian-Democratic pattern.[2] The lack of a clear consensus about the meaning of basic ideas such as communitarianism makes it necessary to examine the politics practiced by the party, in government and out, in order to define the political orientation of the Chilean Christian Democrats.

POLITICAL CHARACTER

The various factions of the Christian-Democratic party would probably agree on the following set of general propositions (gleaned from speeches and writings of Christian-Democratic political leaders on the communitarian ideology), whatever their disagreements on specific meanings and means of implementation might be: Chilean society must organize and integrate all strata of society and facilitate their participation in the life of their community. Issues of health, welfare, and employment, as well as questions relating to moral values and political education, should be the concern of political organization and government. Mass participation and involvement in problem-solving is a basic element in social development. The party's stimulation of organization, its interest in a broad range of issues, and its promotion of mass involvement must be backed up by a strong emphasis on conscious planning and state intervention.

The ideological focus of the Christian Democrats is on integration, mobilization, and development. The ideal of com-

[1] Julio Silva Solar and Jacques Chonchol, *El desarrollo de la nueva sociedad en América Latina* (Santiago, Chile: Editorial universitaria, 1965).

[2] Jaime Castillo Velasco, *Las fuentes de la democracia cristiana* (Santiago, Chile: Editorial del pacífico, 1963).

munity replaces that of the competitive individual. Mass participation is emphasized instead of party competition. Technological and industrial expansion promoted by government planners and engineers is stressed, rather than dependence on the market mechanism. As with other ideological movements, there is a considerable gap between what the movement proposes and what policies are actually pursued, and I am less concerned here with vague statements of party ideology than with the political practices of the Christian-Democratic government.

The political character of Christian Democracy as a movement of national regeneration can be analyzed on two levels: that of political control and political participation, and that of the social choices it makes in pursuing a development policy. There are also two distinct tendencies in the party: the populist and the corporatist.

A corporate society would be one dominated by elites who share common values and identify their interests with maintaining the socioeconomic status quo. It can be defined as a society in which there are a plurality of interest groups, each controlled from the top, and in which individuals low in the hierarchy of an interest group (or outside one) have little opportunity to discuss or promote issues that might conflict with the society's established policies. In a corporate society, unlike a totalitarian state, a plurality of interest groups exist, and bargaining between elites, in the context of shared values and interests, takes place. In both types of society, however, the elite controls and limits the members' means of political expression: ideological discussion is repressed, and competing ideological movements are not allowed to develop. Corporatism tends to choke off societal conflict and to organize society bureaucratically. Corporatism as a mode of elite policy-making is a means of bridging the critical conflicts engendered by the incongruity between the productive process, which is highly socialized, and the ownership pattern (private or owned collectively by an elite). The process of elite integration with

the state is matched by government attempts to foster cooperation of the different classes in achieving "national goals."

The corporate ideology blends modern and traditional values. It represents an attempt to overcome the divisiveness and abrasiveness of liberal capitalist society by harnessing precapitalist values to a modern developmental effort. The fusion of traditional values with modern developmentalism is based on the need to create solidary groups to overcome existing social antagonisms. Traditional values are perceived as backing up attempts to modernize Chile's economy, Christian values as being usable to promote stability in order to promote capitalist development. Development, in turn, is perceived as supplying the goods necessary to maintain solidarity. Since in the past traditional values were associated with exploitative elites, corporatist ideologists generally do not attack the ideas of the liberal-democratic state, but write instead of realizing "the possibilities of democracy," of "enriching it in order to defend it."[3] However, a closer examination of liberal and corporatist thought reveals several important differences in emphasis and content.

Corporatists stress the role of the citizen as a participant in the community rather than the rights of the individual independent of the community. The idea of government promotion of a sense of belonging, of being part of society, overshadows in corporatist ideology the idea of the government's guaranteeing individual rights that prevails in liberal doctrine.

Corporatists stress an intimate relationship between the individual and society, as opposed to the liberal ideal of the "autonomous individual." Frei contrasts the individual's role in the present and the ideal future society: "Then the man trembling in the night will be replaced by a citizen who can feel a sense of participation in the community and who can understand that he is part of a great family."[4]

[3] Eduardo Frei Montalva, "Catholic Social Justice, Democracy, and Pluralism," in Pike, *Conflict between Church and State*, pp. 212–213.

[4] *Ibid.*

The analogy of the family is basic to the corporatist view of society. The basis of nationhood is identified with social solidarity, which the corporatist considers to be threatened by liberal, individualistic values. Frei himself noted that "the requisite condition for the existence of a nation is missing when the unchecked egotism of privileged groups is the dominant power in society. Under these circumstances the feeling of solidarity is absent . . . ."[5] The corporatist criticism of liberal capitalism is that it divides society into hostile classes. The corporatists do not propose to overthrow capitalism, however, but to create organizations that link the conflicting forces of capitalist societies, and to infuse these societies' citizens with a sense of brotherhood. Frei and his followers also criticize the acquisitive values and life styles that the "achievement societies" generate: "Associated with democracy we can now discover unjust economic systems, horror, misery, hatred, selfishness and overweening ambition."[6]

The corporate ideology conceives of equality as existing in its own right, as opposed to the liberal view of equality as being established and protected by government. Liberal legal equality is perceived as a subterfuge for maintaining the privileges of the elite. For the corporatist, inequality, while not to be eliminated, should be of a more limited nature.[7] The corporatists, such as Frei, who describe society as an "organic whole" feel that great inequalities could result in the destruction of the nation. The idea of an organic nation is derived from medieval Catholic doctrine. The ideas of community, solidarity, and family are utilized by the modern corporatists to point to the destructive effects of capitalism on these values and institutions and to explain "how a nation can cease to be an organic whole."[8] The corporatist doctrine attempts to recreate the nation as an organic whole by integrating the proletariat in society. Its supporters do not attempt to lead the proletariat to overthrow the hierarchical system.

5 *Ibid.*
6 *Ibid.*
7 *Ibid.*, pp. 214–215.
8 *Ibid.*

There is no specific reference to radical shifts in power. Instead, corporatists propose that power be diffused.

The corporate idea is to break down isolation by encouraging each individual to identify with society—with "the whole people." Corporatism is essentially a conservative doctrine in that it attempts to integrate both elite and mass into an "integral unit." Frei prescribes: "In order to acquire and preserve the precious gifts of freedom and democracy, it is necessary to incorporate this proletariat into the national existence, to make it a part of the whole people. Only by living in integral unity can people defend freedom and democracy."[9] The corporatists perceive the need for intermediate organizations to channel the activity of mass and elite toward long-range societal development. Frei argued that if the elite did not organize the mass "their lives will become everyday more miserable. The barbarians are never far distant from decadent societies, and they will not be deterred by the flimsy defensive walls erected against them."[10] The implication is that corporatism is more effective than liberalism in preventing revolutionary changes.

Liberal, capitalist society is considered decadent because it can no longer control the conflicts engendered by its development. The corporatists, to overcome conflict and promote national regeneration, espouse a rather "humanistic" ideology: "the central tenet of Christian Democracy is the belief that we are witnesses to the crisis of a world exhausted, to the death of paternalism, and to the birth of a civilization of work and solidarity *with man at its center*, rather than the pursuit of monetary gain that has pervaded the bourgeois society. And its inspiration is that this new era in history and the new social condition will be based on Christian values and concepts of Christianity." In the new social order, the liberal idea of equality of opportunity replaces the idea of status based on heredity, and competes with the socialist idea of equality of socioeconomic conditions: "I dream of a synthesis of justice and freedom in an economy that is based entirely

[9] *Ibid.*, p. 217.
[10] *Ibid.*

on man's ability, not on inherited factors of money, class, or race."[11]

Populism's basic ideological and organizational premise is active participation in decision-making by the poor, the disinherited minorities (Indians, for example), and the effectively disenfranchised in society at large. Populism delimits classes not according to their relationship to the means of production, but according to their "human condition." The better-paid, protected, and organized workers, those concerned mainly with maximizing "current values," tend to be uninterested in populist movements. To the populist, those strata of the population living on the poverty level, many of whom are not directly related to the productive process, are the subjects (vehicles) and objects (beneficiaries) of proposed social change. Decisive in populist analysis is not the mode of production but the ecology of poverty. Populist ideology stresses the alienation of the poor from existing society and its cultural and material values. It also stresses the necessity for people on all levels of society (including functional groups) to participate in the process of issue formulation and resolution: this is considered the only way to ensure justice and liberty. Radical egalitarianism and elimination of hierarchy are considered prerequisites to the free society. Sociology and ethics converge: egalitarianism and social solidarity are perceived both as values in a popular democracy and as social conditions for its realization.

SOCIAL BASE OF THE CHRISTIAN-DEMOCRATIC PARTY

The *Partido Democrata Cristiana* (PDC) began in the late 1930s when it split from the traditional Catholic Conservative party. Formed by a group of socially minded young Catholic intellectuals, the PDC resembled any of the numerous splinter parties that have since emerged and disappeared, or have be-

11 Eduardo Frei, "Paternalism, Pluralism, and Christian Democratic Reform Movements in Latin America" in D'Antonio and Pike, eds., *Religion, Revolution and Reform* (New York: Praeger, 1964), pp. 37, 40.

come part of unprincipled coalitions in order to gain the spoils of political office. From 1941 to 1953, the PDC received less than 4 percent of the total vote, refusing to ally itself with the Popular Front, the *caudillo* Ibáñez, or the parties of the traditional Right. Holding firm to their policy of "integral humanism" (which posited that social reforms could occur without sacrificing individual liberties) and rejecting both communism and capitalism, the Christian Democrats presented their program of reform to the Chilean electorate with "clean hands."[12] However, in 1957, after the collapse of the Popular Front and the failure of Ibáñez, the Christian Democrats began to develop a mass base. In 1957 they received 9.4 percent of the total vote in 1961, 16 percent; and in 1963 over 20 percent, more than any of the six other major parties. In 1964, as the right-wing parties declined, the PDC rose to power.

Meanwhile, Chile's chronic structural problems continued to be exacerbated by the traditional right-wing Democratic Front's inability to cope with inflation (the cost of living rose more than 40 percent during the first few months of 1964), high concentration of ownership of land and wealth, industrial stagnation, a critical housing shortage, low living standards, barbaric living-conditions for the 30 percent of the labor force residing in the countryside, and declining agricultural production relative to population increase. The electorate was in the mood for reform—and the PDC, which all the realists had been criticizing for its impracticality in keeping its hands clean, was in a position to gain the support of the leftward-moving lower class and the frightened middle and upper classes.[13]

[12] For an account of the ideological roots of Chilean Christian Democracy by its leading theoretician, see Castillo Velasco, *op. cit.* A Marxist critique of Christian Democracy can be found in Luís Vitale, *Esencia y apariencia de la democracia cristiana* (Santiago, Chile: Arancibia Hnos., 1964). *Politica y Espíritu* is a bi-monthly theoretical publication that presents the official Christian-Democratic viewpoint. It is directed by Castillo Velasco.

[13] The Jesuit magazine *Mensaje* devoted two special issues to a well-documented and reasoned critique of the social and economic problems facing Chile and Latin America. See *Mensaje*, "Revolución en América Latina," No. 115 (Dec. 1962), and "Reformas Revolucionárias en América Latina," No. 123 (Oct. 1963).

Three factors account for the victory of Frei, the Christian-Democratic candidate, in the 1964 elections. These are: the female vote, and the indirect influence of the Catholic Church in determining it; the support of the two largest cities, Valparaíso and Santiago; and the support of a multiclass coalition of urban middle-class political independents, low-paid urban workers in the service sector, isolated tenant farmers still subject to the social pressure of landowners, and farmers of middle-sized holdings. Allende, the Socialist candidate, was supported mostly by male votes from the mining towns (and one industry town), from the isolated communities of the north and south, and from the poorer sectors in the countryside that had only recently been politically accessible (such as the wage-earning landless laborers). Allende received 45 percent of the male vote, Frei 50 percent; Frei received 63 percent of the female vote, Allende 32 percent. Almost twice as many women voted for Frei, whose party was identified with moderate reform and the Catholic Church, than for the Marxist-oriented Allende.

Allende won in six provinces, but among women voters he exceeded Frei in only one province, Arauco. Only in this coal-mining province, where the influence of the male breadwinner is certainly dominant, was the family split insignificant; 73 percent of the men and 70 percent of the women voted for Allende.[14] In the three northern mining provinces Allende captured, the split between men and women was much greater: among males voting for the two major candidates in Tarapacá, Antofagasta, and Atacama, Allende received 58 percent of the vote; among women he received only 43 percent. In Chile's two largest cities, Valparaíso and Santiago, which account for 40 percent of the country's vote, Frei received 56 percent of the male vote cast for the two leading candidates, and 70 percent of the female vote. Eighty-five percent of Frei's margin of victory can be accounted for by his strength among women voters. The Christian Democrats were identified with the Catholic Church and drew the active sup-

14 These figures are based on votes cast for the two leading candidates, and do not include the Radical Durán, who got only 5% of the vote.

port of the clergy. It is possible that this influenced women in all regions of the country and on all levels of economic status in favor of Christian Democracy.

In the large urban centers of Valparaíso and Santiago, Frei received 63 percent of the votes cast for the two leading candidates, while in the country as a whole he received only 55.5 percent. The presence of a large middle class, and thus the diffusion of paternalistic and social-reform (corporatist) values among the lower classes in both cities, probably accounts for some of this disparity. The inability of the Marxist Left to counter moderate, reformist influences in the urban working class can be accounted for by the relative social uncohesiveness of the working-class community and the greater susceptibility of many of the underpaid, unskilled, and unorganized urban workers in the service sector to corporatism or populism rather than to socialism. In cities like Valparaíso and Santiago, there are many cultural and social influences that tend to identify modernity with moderation and reform with reformism, and thus to reinforce the social predispositions of sectors of the middle class and subject the working class to cross-pressures instead of to the clear-cut choice they confront in the closed social systems of the mining areas.

Outside the big cities, Frei gained support from a disparate coalition of social groups: big landowners, middle-class farmers, sectors of the better-paid mining workers in the copper industry, and, in the provincial towns, small businessmen and clerks.

In the southern middle-sized-farm areas, such as Bio-Bio, Malleco, Cautín, Llanquihue, Chiloé, and Aisén, Frei won easily, receiving 64 percent of the vote cast for the two candidates. In addition to his predictable successes in these areas, he received better than 50 percent of the vote in the northern copper-mining city of Calama and came close to winning the nitrate center of Iquique. It was the PDC's ability to build this variegated coalition of city-dwellers, women, small farmers, the middle class, and big landowners that led to Frei's landslide victory. Right-wing support probably contributed

heavily to Frei's vote among the status-conscious urban middle sectors and among the more submissive rural population; also, the financial resources of the PDC were said to have been nearly fifteen times those of the Left. The large, heterogeneous electoral base of the Frei government is weak in terms of its willingness to be mobilized on a particular issue, which has made it difficult for the government to carry out its proposed program. The FRAP, on the other hand, though it has a somewhat smaller base of support, contains a disproportionate percentage of the mobilizable population.

In summary, it is becoming clear that the historic Chilean parties are giving way to new forces that seek to alter the status quo (a pattern not entirely new in Chile). The older parties operate through a gradual, piecemeal approach; the reformists seek large-scale structural changes. Political realignment is a function of increasing polarization and conflict in Chilean society between the arrogant and indifferent upper classes, the heterogeneous and fragmented middle classes, and the lower classes, now clamoring to take for themselves what Chilean society has so long denied them.

To solve the challenging problems facing Chilean society, Frei and his party proposed two key reforms to dynamize the economy. First, the PDC proposed the imposition of extensive controls on the copper industry, with the hope of doubling copper production through new investments. The proposal called for government intervention to ensure that the greater part of the raw material would be refined and processed in Chile; it also stated that the Chilean government would control the copper trade and expand it to include the USSR and China. A PDC declaration made soon after the election (which was drawn up by agricultural expert Jacques Chonchol) called for agrarian reform to make the peasants owners of the land; however, the immediate PDC program set more modest goals: immediate unionization of agricultural laborers, equal wages to all workers, and economic sanctions against owners who did not comply with the pay scale. Through taxation and strict administration the Christian Democrats hoped to increase ag-

ricultural production and perhaps pressure some of the landlords to use their land efficiently or sell it to people who would.[15] Such a program precluded any violent disruption in the transfer of power from the Right to the PDC.

What the PDC did not make clear, however, was how Frei hoped to realize his program; many of his supporters during the election were interested primarily in defeating the Socialists, and were less than enthusiastic about any reforms. Moreover, the decline and fragmentation of the Radical party left little possibility for fruitful cooperation with moderate conservatives. Two options seemed open to Frei: the first a version of the Italian "opening to the Left" tactic that would have gotten him enough support to pass his reforms while still maintaining firm control over the political situation; the second to reconcile himself to the status quo and seek an accommodation with the Right.[16]

The Christian-Democratic party scored an impressive political victory in the 1965 congressional elections, but moved cautiously in the area of socioeconomic reform.[17] It faced serious problems in international relations, for Chile was still economically dependent on US aid for internal development, but the PDC was committed to an independent foreign policy that, in the context of the US intervention in the Dominican Republic, placed the PDC in opposition to the US.

The congressional elections of 1965 gave Frei an absolute majority in the lower house and increased the number of Christian Democrats in the Senate. The PDC received 42 percent of the vote, which, coupled with its absolute majority in the Congress, indicated popular support unprecedented in recent years. This congressional mandate subjected Frei's ability to carry out his program only to opposition in the

[15] For a description of Frei's original agrarian-reform proposal, see Marion Brown, "Frei Unveils New Agrarian Reform Bill" (Santiago, Chile: Wisconsin Land Tenure Center, Dec. 1965) (mimeographed).

[16] For a generally positive evaluation of reformist tendencies in the Frei government see Gerardo Mello Moura, *Frei y la revolución Latinoamericana* (Santiago, Chile: Editorial del pacífico, 1966).

[17] The results of the congressional elections are published in Tomás Moulian, *Estudio sobre Chile* (Santiago, Chile: Editorial orbe, 1965).

Senate. The traditional parties of the Chilean Right (Conservatives, Liberals, and Radicals) declined precipitously, losing over three-quarters of their representatives. The Socialist Left, the FRAP, maintained its percentage of the vote, gaining a few additional congressional seats.

CORPORATISM AND POPULISM IN THE PDC

The older national Christian-Democratic leadership is mostly corporatist, and came originally from the Falange Party formed during the 1930s. Former members of the Conservative Party Youth, and sons of wealthy or old professional middle-class families, these men perceived the need for social adjustment to the problems posed by the emerging urban industrial society.[18] Though they never challenged the hierarchical nature of society, they sought to shift the locus of power from the unproductive landowners toward the new urban industrial and rural entrepreneurial groups. They believed modernization and industrialization to be inevitable, and sought to accommodate them to a class society in which old high-status groups would transfer their skills and wealth to new areas of exploitation, mainly industrial and commercial enterprise. The crisis of the 1930s found many of the Falangists flirting with corporatist theories.[19] The apparent

[18] Among Chilean Catholic intellectuals there has been a strong intellectual and political tradition of corporatist thought since the turn of the century that has had an impact on social and especially on labor legislation (including the present Labor Code). See James O. Morris, *Elites, Intellectuals, and Consensus: A Study of the Social Question and the Industrial Relations System in Chile* (Ithaca, N.Y.: Cornell University Press, 1966) for a detailed description of the attempts by the traditional ruling class to contain the upsurge of the working class through state-controlled trade unions. Noting the influence of this tradition on the formation of Christian Democracy, Morris wrote: (p. 180) "It is almost certain . . . that the . . . 'Christian Democracy' of the Concha school in Conservative ranks was a precursor of the movement which in the 1930's split the Conservative Party and led to the establishment of the National Falange." For a more detailed description of the Falange Party see Ricardo Boizard B., *La democracia cristiana en Chile* (Santiago, Chile: Editorial orbe, 1963), especially chap. 15. Old-time party leader Rafael A. Gumucio fixes the date of the founding of the Falange at 1938.

[19] Boizard, chap. 14. For a clear statement of the Christian-Democratic point of view, see Eduardo Frei, *Pensamiento y acción* (Santiago, Chile: Editorial del pacífico, 1958), pp. 176–203, especially pp. 180, 201–202. President Frei's

dynamism of Italy, Spain, and Germany, all corporate, hierarchical societies, appealed to the Conservative Youth: in those countries, their own vision of fusing the traditional and the modern seemed to have been achieved. The masses seemed to have been integrated into those societies without any sacrifice of the decision-making centers; moreover, the masses seemed to have been mobilized in favor of authority and modernity, and seemed "unavailable" to the Marxist movements. A populist ideology utilized by a conservatively directed movement appeared to the Falangists to be an excellent tool for orienting political activity during the crises of the 1930s. Thirty years later, the ideas of "Popular Promotion" and the attractiveness of the West German Christian Democrats to the Chilean Christian Democrats[20] attest to the conservatives' continuing tendency to look toward discipline, authority, and *institutionalized* popular movements as the mode of adjusting a hierarchical society to the needs of modern development.

The agrarian laborites (who joined the PDC with the collapse of the authoritarian Ibáñez government) are another generally corporatist branch of the Christian-Democratic movement.[21] Like many of the former followers of President

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early book *Chile desconocido* (Santiago, Chile: Ediciones Ercilla, 1937), pp. 143, 162, 164, shows considerable sympathy with the corporate-state idea. Among the national movement of Conservative Youth out of which grew the Falange and later the Christian-Democratic party, there was a strong support for the corporatist state. See Alejandro Silva Bascuñan, *Una experiencia social cristiana* (Santiago, Chile: Editorial del pacífico, 1949), p. 56.

20 Kalman Silvert, "Interview with a Candidate," *American Universities Field Staff Newsletter*, IV (Aug. 30, 1957), 1–10.

21 The first Ibáñez government of the late 1920s and early 1930s passed labor legislation consciously modeled on the European corporate experience. Many of the supporters of the second Ibáñez government who have now turned to Christian Democracy may have been attracted by corporatist tendencies in the new movement. The similarities between the attitudes of the early Ibáñez government and the Frei government toward the corporate spirit vis-à-vis trade unions can be seen in the law decreed by Ibáñez on December 31, 1928. On this law, Morris notes: "The regulating decree declared in the first instance that all legal unions were to be institutions of mutual collaboration among the factors which contribute to production and consequently "all organizations whose procedures handicap discipline and order in work will be considered contrary to the spirit and standards of the laws.' " Apparently Ibáñez's strategy was to destroy free unions and consolidate

Ibáñez, this group tends to favor strong personal government, plebescites, and an ideology attacking independent representative institutions. The major ideological prop of this group is the direct identification of the leader with the people. In addition, they are still rather attracted to direct-action politics: during the crises of the 1930's, elements of this group were members of extreme rightist movements that openly engaged in street battles with leftist parties. The agrarian laborites perceive society as a "family" in which each sector makes a contribution to the whole nation; they strongly reject strikes and class struggle as subversive to the national welfare. Despite their participation in electoral politics, they have a strong distaste for bargaining with other political groups—a handicap in Chilean parliamentary politics.

The populists are the third important branch of the Christian-Democratic movement. Based in the trade unions, and especially the peasant unions, they have few actual representatives in the national government or parliament. There is, however, a large "rebel" sector among the PDC parliamentarians that occasionally reflects populist ideas and grievances. The "rebel" parliamentarians are a loosely defined group of critics of the current course of government policy. Ideologically they place greater stress on the communitarian-socialist than the private-enterprise aspects of Christian-Democratic doctrine. Politically they are neither corporatists nor populists: though critical of corporate tendencies they are not involved in the struggles of the agrarian unionists who make up the center of populist strength.[22]

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and encourage a "legal union system" (government authorized); also to develop the working class as a political force for perpetuation of his power. See Morris, *op. cit.*, p. 255. Included among present-day leading Christian Democrats are the following ex-Ibáñez supporters: Mario Hamuy, Ruben Hurtado, Jorge Lavanderos, Luís Martín, Luís Pareto, Sbarbaro, Carlos Sivori, and Aravena Canessam. Several people from the Liberal and Conservative parties, including Congressmen Barrionuevo and Sotomayor, have also jumped on the Christian-Democratic bandwagon. See "Ex-militantes de la democracia agraria laborista ingresan al partido democrata cristiana," *La Nación*, Nov. 13, 1966.

22 The Second Trade Union Congress of the PDC (June 9–12, 1966) strongly attacked the trade unions' lack of representation both in the government and

Most of the technicians of the Left are in the two government agencies promoting agrarian reform, the Agrarian Reform Corporation (CORA) and the Agricultural Development Institute (INDAP). Members of the Christian Peasant Union (UCC) strongly resist the rural union-organizing efforts of these government agencies despite their "progressive" personnel. Occasionally the tensions with the government between the agrarian reformers in INDAP and the government's more conservative members come to the surface, especially when INDAP intervenes on the side of the peasants in their conflicts with the owners.[23]

Tensions have arisen between the populists and the leftist technocrats ostensibly promoting agrarian reform over the best means of organizing the peasantry. The alternative presented by INDAP and CORA is that organization should take place through government sponsored, financed, and controlled peasant unions. The populists, on the other hand, favor independent unions, controlled and directed by their members and capable of sustaining their own activity. Apparently tak-

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in the party. The president of the Organizing Commission of the congress, Manuel Fernández, opened the meeting by calling for "greater political participation in the leadership of the party" (El Siglo, June 10, 1966). Leaders in the Union of Christian Campesinos (UCC) that I interviewed, as well as Osvaldo Sepúlveda, Executive Secretary of the Latin-American Peasant Federation, voiced similar criticisms. They cited the fact that only one of the 83 PDC deputies is a true representative of peasant interests. A criticism from the Latin-American Social Christian Trade Unionists' point of view is found in SOCI, June 20, 1966, pp. 13–14. Though the "Third Force" international outlook presented at the Congress was carried, the majority of the new leadership is reputedly under ORIT (US AFL-CIO) influence. See Christian-Democratic National Trade-Union Department, "Política sindical internacional de los trabajadores democrata-cristianos" (mimeographed).

The leaders of the "rebel" parliamentarians are the aged Senator Rafael Agustín Gumucio and the younger deputies Alberto Jerez and Julio Silva. In a document defining their group's point of view, they call for a return to the earlier spirit of sacrifice and an orientation more in tune with the popular classes. Their criticism is aimed at the alleged take-over of the party by professionals, technicians, and businessmen. They attack these latecomers ("parachutists") for not really being in agreement with the communitarian-socialist program of the party. A summary version of the "rebel" document circulated prior to the August 1966 national party congress was printed in *Ultima Hora*, June 25, 1966, p. 3. See also Silva Solar and Chonchol.

[23] See *El Siglo*, June 4, 1966.

ing anti-capitalist and communitarian-socialist ideas seriously, the populists work toward popular mobilization, the creation of cooperatives, and other activities apart from, though not necessarily opposed to, the state apparatus.[24] They desire not a strengthening of the state, but a strengthening of the autonomous centers of popular power through state enforcement of legislation facilitating this process; they perceive the state not as the promoter of social change but as the creator of autonomous popular centers that will become agencies of change.

At this point it is pertinent to examine how these corporatist and populist tendencies relate to each other, and to their constituencies; what actions they propose to combat the sources of discontent found in those constituencies; and what their attitudes are toward each other and their constituencies.

The corporatist tendency is especially strong in the national executive of the government, in government agencies, and in the national, regional, and local administrative apparatus (governors, labor inspectors, and so forth). However, in the national government and its agencies there are individuals who, though not populists, sympathize with and give tacit support in specific circumstances to populist elements. In Congress the peculiar socialization process affecting parliamentarians induces compromise and negotiation. As a result political differences are somewhat blurred, and congressmen are less decisive in action than the national executive. In addition, the "rebel" parliamentarians on occasion criticize the more blatantly objectionable aspects of the anti-populist corporatist position.

Among organizations of Christian-Democratic inspiration, the most corporatist are those organized by the agency calling itself "Popular Promotion," which comprises neighborhood groups such as the mother's centers, the councils of neighbors, and similar groups whose activities are sponsored by and subject to government control. In mid-1967 the Christian-Democratic party's pro-corporate, pro-Frei leadership was overthrown at the national party conference. A mixed group

[24] This point of view was expressed by Héctor Alarcón, national leader of the UCC, and Osvaldo Sepúlveda of the Latin-American Peasant Federation.

of rebel parliamentarians, personal dissidents, and populists took the leadership of the party.

The activities of two government agencies concerned with agrarian reform, INDAP and CORA, combine a populist ideology with a technocratic leadership.[25] Their activities tend to promote organizational bonds between the peasant organizations they sponsor and the governmental apparatus (subordinate to the executive), through the intermediary of government employees who serve as "technical advisors."

The populists' major organizational bases are newly organized trade unions in the rural areas, many of which were established between 1964 and 1965.[26] A peasant organization of Christian-Democratic inspiration, the UCC, is probably the major peasant union, with 320 affiliates, 30,000 members, and a larger number of sympathizers. However, the principal weakness of the populists is the relative inexperience of their middle- and lower-level leaders. They lack well-disciplined and committed cadres, especially in the countryside.

The first conflict between populists and corporatists involved their different conceptions of the relation of the trade unions to the state. The corporatists favor state-sponsored, -financed, and -promoted trade-union activity as a means to integrating the lower classes. The populists see in this policy a loss of union independence. They believe that close identification of unions with the government would make them less attentive to the needs of their bases, and transform them into a means of mobilizing the unions around the political needs (electoral and other) of the party and executive. The corporatists counter with the argument that independent trade unions and class struggle (strikes) may have been legitimate in the past, but that a peasant movement under a Christian-Democratic government ought to cooperate closely with the government's program. The populists return that though they consider themselves supporters of the Christian-Democratic

25 See Jacques Chonchol, *El desarrollo de América Latina y la reforma agraria* (Santiago, Chile: Editorial del pacífico, 1965). Chonchol was a leading government functionary promoting agrarian reform.

26 Interviews with Hector Alarcón and Osvaldo Sepúlveda.

government, they wish to maintain their separate existence because government measures are not always in the interests of their constituents. The populists further argue that according to PDC doctrine independent voluntary associations are part of a communitarian society, while statism is not.

The struggle between populists and corporatists has already become manifest in the countryside in the few cases where expropriations have occurred. The CORA officials appointed as technical advisors and the government-sponsored *comités de asentamiento* (land colony committees) tend to overshadow the leaders of the independent unions, with the result that what progress the unions have made in successfully soliciting expropriation has, instead of strengthening them, led directly to government takeovers.[27] The key problem for union leaders looking ahead is how to combine union activities in the pre-expropriation stage with technical assistance in the post-expropriation stage so that the union can continue to exercise its influence in the building of a new cooperative society.

The populists have an advantage over the corporatists in gaining popular support because corporatist activities are largely confined to passing legislation that the landowners rarely obey; the unions, on the other hand, have been dramatically effective in getting clauses in contracts and agreements enforced that the government has been unable or unwilling to uphold (such as minimum wages, hours, and working conditions). The absence of national authority in the countryside facilitates the growth of union authority and prestige—as long as the unions are effective in forcing the owners to respect contracts. The greatest contributing factor to the growth of militancy, union consciousness, and social solidarity in the countryside has been violation of agreements by landowners.[28] The owners' refusal to comply with existing legislation, the remoteness of the bureaucracy, the disinterest if not the hostility

27 For a general discussion of the *asentamiento*, see "Los patrones de asentamiento rural y el cambio social en América Latina," *Boletín económico de América Latina* (Economic Commission for Latin America, United Nations, Mar. 1965), X, No. 1, 1–22.

28 Interviews on five unionized fundos in and around Los Andes and Llay Llay in the province of Aconcagua revealed that in every case the landowners

of most local and regional government officials (including PDC supporters) to settlements in favor of the peasants—all create frustration and indignation in the peasant class that can easily be turned to organization when national unions are willing to intervene. The long period during which the national government allows landowners to maneuver legally in order to retain their land—even in fundos CORA has officially expropriated—gives the unions a critical period in which to build up support by winning contracts that better conditions within the litigated fundos. The inability of the corporatists in government to enforce laws in the countryside has given the independent populists an opportunity to create a substantial power base.

The independent unions in each fundo tend to merge on the municipal and even provincial level into *sindicatos únicos* that present united demands, *pliegos únicos,* as a means of forcing agreements. Such consolidation is already occurring in the provinces of Colchagua, Linares, and Aconcagua. To the extent that the rural unions can overcome the particularism of each farm, they will surpass the urban trade unions in organizational cohesion and number of workers covered by a single contract.

The populists' ability to unite demands originating from local bases and present them on a regional level makes them a potentially formidable rival to the bureaucratic centralists who attempt to impose settlements and development from above. However, both groups share a considerable amount of ground. Both are ideologically opposed to the FRAP and the traditional Right. The PDC and the national government need the votes the populists can mobilize in order to stay in power; the populists need the government's tolerance of their organizing efforts, and the assistance of a friendly Minister of Labor to hand down sympathetic verdicts in extreme instances (such as victimization of militants by owners). At present, they

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failed to comply with existing legislation prior to unionization and continued to resist after unions were formed. Only strike action or the threat of it was effective in forcing compliance.

coexist uneasily, each group maneuvering to gain authority or to resist the encroachments of the other.

The corporatist-populist struggle seems superficially to be one between *técnicos* (corporatists) and *políticos*, or ideologues. In reality, the struggle is over the question of whether the rural reform movement shall be controlled by the government bureaucracy or by the peasants, on the local or regional level.[29] Two ideological and organizational positions are involved. The government officials working in the countryside (técnicos) orient themselves toward organizing the rural populace and ordering change as a support for the urban elites. The agrarian populists believe that the main struggle in Chile is taking place in the countryside, between landowners and peasants, with the union as the instrument of change.

To a large degree, the differences between populist and corporatist do not reflect the expertise of the técnicos versus the militancy of the políticos. Nor do the tensions arise from different "stages" in the development of agrarian reform (the argument is that the políticos are needed in the stage of mobilization for change whereas the técnicos should take over during the post-reform stage). The conflicts between the técnicos and políticos during and after reform, and the demands each group makes on the political system, instead reflect the different constituencies the two groups represent and each group's perception of the role of its constituency.

As decision-makers the technical advisors are just as "political" as the peasant union committee. The technical advisor is like the national government: he is attempting to promote economic development with the cooperation of private enterprise and the bureaucratically controlled state sector of the economy. The political and economic decisions of the técnicos consider the needs of those two centers of power. In the national constituency, which the técnico represents, these two elites predominate: the national and foreign entrepreneurs and bankers, and the bureaucratic elite and apparatus.

29 The anti-statist bias among the populists is expressed in "Los trabajadores y el estado," *Cuadernos* (Santiago, Chile: Latin-American Christian Trade Union Confederation, 1965).

The different and conflicting orientations of the populists and the corporatists reflect the conflicting demands of the organized and organizing peasantry and rural working class on the one hand, and private enterprise and the bureaucratically controlled urban sector on the other. The corporatist orientation of the party leaders, executive, and parliamentary elite reflects the desire to contain and institutionalize rural insurgency so that it does not become a basis for a national political movement that might endanger the national power complex. Even the limited achievements of the populists appear to the national executive, the spokesman of the urban elites, to have been attained at a dangerously rapid rate. Hence, the call during the presidential address in May 1966 for a national "truce."[30] The common fear of the political corporatists and their urban constituents is the emergence of an independent rural mass movement.

The técnicos tend to rationalize their political concern with the emergence of a mass movement in terms of its effects on production. The populists put the question in other terms: how can a mass movement most effectively grapple with the problem of securing the expropriation of the fundos? Thus, productionist-technical considerations become counterposed to those of social reform and social change. The popular satisfactions produced by social reform are weighed against the effects of social dislocation and insecurity on production. The different orientations of the competing groups, which reflect their different constituencies and social bases, thus find expression in different priorities and commitments.[31]

Ideologically, the conflict between reform and production targets reflects two conceptions of democracy: the corporatist idea of democracy directed from above and the populist one of democracy from below (through trade unions, cooperatives, and so forth).[32] After the first three years of Christian-Demo-

[30] Frei, "The Presidential Message," *El Mercúrio*, May 22, 1966. The generally favorable response of business and even landowning groups to Frei's call for a a truce can be found in *Ercilla*, May 25, 1966.

[31] This productionist-business orientation was presented in editorial form in *El Mercúrio*, May 22, 1966, coinciding with Frei's "Message to the Nation."

[32] For a clear statement of the important role attributed to the trade unions

cratic government the corporatists seem to be on the defensive. Jaime Castillo, the leading ideologue of the Christian-Democratic movement, has admitted that the Frei government is not building a communitarian society. According to Castillo, the "revolution in liberty" is to take place in stages. During the first stage, statism, growing executive power, agreements facilitating the entrance of foreign capital, and encouragement of Chilean private enterprise would predominate, while trade-union organization would remain weak because of the vulnerability of the economy. The creation of government-supervised neighborhood groups (mother's centers, neighborhood councils, and so forth) would, however, create the conditions for the next stage of "communitarianism," during which these popular organizations, along with the party and government, would be transformed into a cooperative society. Castillo admitted that there might be resistance by party members in reorienting a political party already integrated with some social classes toward other social classes.[33]

The populists' greatest problem has been their ambivalence toward a government with which, despite short-term working relations they share few essential ideals. In addition, the absence of trained cadres seriously hampers their ability to build alternative sources of power either inside or outside the party. The future will decide whether the populists can win over the decisive popular urban-industrial social forces capable of impelling a dynamic national popular movement, or whether they will be swallowed up in the growing bureaucratic apparatus.

PEASANT UNIONISM

The Christian Peasant Union (UCC) recently negotiated a collective contract covering workers on 45 large farms in cen-

by the populist wing of the Christian Trade-Union movement, see Emilio Maspero, "Trade Unionism as an Instrument of the Latin American Revolution" (Santiago, Chile: Latin-American Christian Trade-Union Confederation, Mar. 1966) (mimeographed).

33 Interview with Jaime Castillo Velasco, Minister of Lands and Colonization. In discussing the "revolution in liberty" during his end-of-the-year-speech, Frei admitted that his government was far from reaching its goals and would need at least a generation to realize them. *La Nación*, Nov. 4, 1965, pp. 6–8.

tral Chile. Such a high degree of coordination is unusual in Chile, where even long-established industrial unions are fragmented and where negotiations usually involve individual farms or factories.[34] The UCC's organizational breakthrough, which precedes any similar phenomenon in industrial unions, indicates that social change can occur more rapidly in the backward sectors of society than in the technically more "modern" sectors. It belies the widely held notion that social and economic development are highly interrelated and interdependent processes that necessarily occur in parallel. In this case, a social, organizational innovation—the coordinated organization of many units—occurred in the least developed, least organized and most exploited sector of society. In fact, the very economic backwardness and lack of organization in the Chilean countryside may have been an important positive factor in the development of a broadly based social organization. If the campesinos had already been committed to local interest-group organizations (such as credit unions or mutual-aid societies) it would probably have been much more difficult to organize regional unions.

Social development is not necessarily a slow process in which local interest groups evolve into regional organizations and then into national social movements. The UCC experience shows that a highly differentiated, mostly illiterate or semi-illiterate rural mass with almost no previous organizational experience can be quite quickly welded into a strong regional union. In the case of the Chilean countryside, the prerequisites to rapid social development were an efficient political strategy chosen by the union organizers that involved maximum utilization of limited resources with a prime focus on available groups; government policy that encouraged union organization; and a transactional relation between the rural organizers and the national government whereby the unions were given a free hand on immediate, regional issues in exchange for electoral support.

[34] Much of the information in this section was gathered in interviews with leaders and members of the Christian Peasant Union. I am especially grateful to Héctor Alarcón, the UCC's National President, for being so generous with his time.

Centers of Strength

The UCC is strongest in the central provinces of Talca, Valparaíso, Linares, Curicó, and Aconcagua, and is organizing farms on a smaller scale in Colchagua and Santiago. In Santiago there are 25 "*comités pre-sindicales*" (pre-trade-union committees), de facto unions awaiting legal recognition.

UCC organizers have followed two criteria in selecting areas and groups to organize: they have concentrated on areas with relatively dense rural populations and on farm workers dependent on wages for most of their income. Small farmers and workers who receive much of their pay in the form of perquisites, especially land, they consider harder to organize.

So far the UCC has worked only in very accessible areas, concentrating its limited resources on densely populated farms near towns, specially near provincial capitals where labor disputes are adjudicated. They have made less of an effort to reach isolated farms with few workers. UCC also concentrates more on spreading out from its centers of strength than on entering entirely new territory where rival organizations may be stronger.

The UCC has no strength in the northern transversal valleys, where the Socialist-Communist unions are strongest, nor in the south of Chile, where workers are fewer and less accessible.[35] They have also had little success in organizing the small farmer, who is not inclined to view his problems in terms of conflict with the big landowners, and who is more interested in land and markets than salaries. The UCC hopes to organize production cooperatives for small farmers, but so far has been able to do very little to organize them in any way. One of the major criticisms that UCC makes of the Frei government's agrarian policy is that it has not given enough attention to organizing and supporting cooperatives.

The UCC estimates that some 30,000 peasants are currently covered by its contracts. Apart from these fully organized workers, another 15,000 are strongly influenced by the UCC.

[35] In the southern rural provinces of Nuble, Linares, and Maule, 1.5% or less of the labor force is unionized. See a study of rural conditions in southern Chile conducted by the Center of Sociological Research at the Catholic University, cited in *Ercilla*, May 18, 1966, p. 16.

The UCC claims that its efforts have produced a "community effect," causing wages to go up on many nonunion farms in areas where unions are prevalent.

Whereas a few years ago the UCC focused on individual farms, it now emphasizes regional organization. UCC leaders have developed interesting arguments to "sell" their regional-contract idea to the various groups involved. To the government labor inspectors they stress the administrative efficiency of covering several farms with the same contract, and of saving paper work and time spent in dealing with isolated conflicts. To owners they argue that equalizing conditions over a large region will lessen conflicts in the long run and not give advantages to intransigent employers over their more cooperative neighbors. To the workers they point out the advantage of solidarity and strength in negotiating with owners.

So far the regional-contract approach has had good results for the UCC. In most cases the mere threat of a *comuna*-wide strike has been enough to bring employers to the bargaining table.[36] In Colchagua, where resistance has been especially strong, 25 farms went on strike simultaneously, and the workers eventually won most of their demands.

Campesino Organization and Conditions Under the PDC Government

The experiences of the UCC and of rural unionization under the present Christian-Democratic government can be examined from several angles: the degree to which governmental machinery (local labor inspectors, for example) has facilitated union organization; government enforcement of social legislation in the countryside; and the relationship of government rural agencies' programs to the needs and program of peasant unionism.

To legitimize a labor dispute a union must submit its contract demands to the local labor inspector. At the beginning of the present upsurge in unionization, labor inspectors were noncooperative, frequently ruling that unions were illegal or

[36] A *comuna* is more-or-less equivalent to a municipality in the US.

dismissing demands on technical grounds. Such practices tended to discredit the government, alienate militant peasants, and hinder the growth and effectiveness of unions. So, after a series of meetings with labor leaders, the Minister of Labor sent a memo to his inspectors throughout the country telling them to act as if the new rural labor law being considered in Congress were already in effect and to set aside existing restrictive regulations. This policy has given the unions more leeway in their actions; but the UCC still complains of resistance from local officials, many of whom reportedly have ties with local landowning interests.

The problem of enforcing social legislation is another matter. In the case of noncooperative labor inspectors, the peasant unions can easily focus on the local bottlenecks through their national channels. In the case of the landowners, however, the unions are not dealing with public officials directly subject to administrative disciplinary powers. When it comes to the question of payment of the national minimum wage (4.12 escudos per day subject to a discount of up to 25 percent if the owners make payments in kind, *regalías*), the UCC estimates that approximately 40 percent of the owners do not comply with the law.[37] However, there is a considerable difference between conditions on unionized and non-unionized fundos. While the percentage of owners avoiding the minimum wage is still high, the UCC estimates that it has dropped from about 95 percent six years ago.

The campesino housing situation, however, has not changed at all. The UCC says that 80 percent of the workers' houses do not meet legal minimum standards. In fact, conditions may be becoming worse as owners disinvest in anticipation of agrarian reform. According to the UCC, housing is one of the most critical problems facing the campesino, and better housing has become one of its main demands. The UCC's proposed solution is for the government to expropriate plots (*sitios*) on exist-

[37] This figure was quoted as of June 1966, and amounts to about 88 cents a day; at the time the official rate of exchange was about 4.8 escudos to the dollar.

ing farms, build houses on them, and then sell them to the campesinos. The plan calls for a cooperative arrangement in which members can contribute their own labor. The main weakness of this proposal is that even if the campesino owned his own house he would have no guarantee that his job would continue on that particular fundo. Short of all-out expropriation, which would make this proposal obsolete, the fundo including the campesino's house would continue to resemble a company town.

There is no legal measure to prevent arbitrary firings, including dismissal for union activity. The *Ley de Inamovilidad* (job-protection law) of the Christian Democrats does not prevent firings; it only requires that the owner pay an indemnification (after a judicial hearing and ruling) of one month's salary for each year worked, providing the fired worker can prove the arbitrariness of the owner's action. Since most campesino union leaders are young, the cost of firing one would not be prohibitive even if the owner should have to pay. And it would be worth the owner's while to pay the costs involved if by firing a union leader he could intimidate the rest of the campesinos. More important, the sole power of decision in these matters is in the hands of a local judge. Hector Alarcón, the UCC's National President, could recall only one ruling that awarded an indemnification to a fired worker.

The only real job protection in the countryside is union strength. At the end of April and the beginning of May 1966, there were massive firings throughout rural Chile. According to a UCC survey more than 8,000 campesinos were fired, approximately half of whom belonged to unions, many to the UCC. Of the 4,000 fired for union activities, Alarcón estimates that more than 80 percent were reinstated either as a direct result of the threat of a general strike, or indirectly through government intervention to avoid the strike. There were local strikes in a number of cases, usually with positive results. Nevertheless, about 800 trade-union campesinos were jobless, and unless court action succeeds will remain so.

The firing had the overall effect of reinforcing the militancy

of the campesinos; after they succeeded in reinstating most of their *compañeros,* they gained confidence in their ability to wield power effectively. Thus the owners' action had an effect opposite to what they had intended: it consolidated and strengthened the union organization. Reinstatement of the fired workers was a new development in the Chilean countryside. In years past, firings for purposes of intimidation had been common and final. Previously, repression had had the desired effect from the owners' point of view; it had broken the union.

UCC and Other Organizations in the Countryside

Though the UCC is apparently the largest peasant organization in Chile, other groups are active in rural organization. The UCC does not reject united action with other peasant union organizations when facing specific problems, although Alarcón expressed grave doubts that joint action was possible, especially when dealing with the Socialist-Communist-led *Federación Campesina y Indígena.* The main reason he cited was that the *Federación* was politically oriented and not concerned with bread-and-butter issues; that the *Federación* was led by parliamentarians who were primarily interested in attacking the government and not in the trade-union struggle.[38] However, the UCC maintains a critical position toward the government, especially toward the Agrarian Reform Corporation (CORA). Alarcón criticizes CORA for moving too slowly with land reform, for providing too little assistance to colonists, and for making what he considers major errors in administering expropriated farms. He is also very critical of the Agricultural Development Institute (INDAP).[39]

CORA recently issued a report in which it claimed to have expropriated 642,000 hectares and to have settled 3,850 fami-

[38] Joint action has taken place, especially on the local level, over specific issues such as the mass firings mentioned above. Pressure from the government, the anti-Communist ideology of Christian Democracy, and the fear that the Left will co-opt its militants all cause the UCC to avoid alliances with the Left.

[39] For more detailed information about the activities of INDAP, see *INDAP Informa,* its weekly news bulletin.

lies between November 1964 and March 1966. According to conservative estimates, families lacking adequate land numbered 300,000. Upon closer examination, the "expropriated" land largely turns out to be public property turned over to CORA by public institutions. In reality only about 370,000 hectares of private land were expropriated, much of it as a result of severe labor conflicts. CORA's accomplishments fall far short of the resettlement of 100,000 peasant landowners promised by the PDC during the 1964 election campaign, and afterward by the Vice-President of CORA, Moreno.

According to Alarcón, about 40 percent of the families resettled by CORA have not been able to take possession of their fundos. He also points out that CORA has not provided resources and technical assistance for most of the expropriated lands marked for cultivation, and that after agrarian reform a decline in production will occur on plots where this assistance is not provided. CORA apparently lacks the organizational resources to keep its promises of aid to the resettled campesinos. The political and economic consequences of a decline in production are likely to be unfavorable. On the "reform farms" themselves, as planting time passes, the lack of materials and seeds that cause lower production will result in lower levels of consumption, and the government's agrarian reform will lose popularity. Alarcón cited cases in Curicó of fundos undergoing reform where people's income and food intake actually declined due to CORA errors. In addition, both CORA and INDAP have not provided sufficient credits to the small farmers, nor seriously attempted to promote cooperative organizations. In the field of agrarian reform the "revolution in liberty" seems to have a long way to go.[40]

The key cause of errors by CORA and INDAP, according

[40] In the area of agrarian reform, Frei, in a speech to Congress in May 1965, played down social reform in favor of a técnico-productionist program that promotes production increases and calls for a "fair division of profits" (higher wages, not land, for the campesino). Expropriation was planned only for "uncultivated lands", land notoriously poorly utilized in relation to the level of production in the area, abandoned land, and land affected by public works. All in all, very little land reform has been accomplished, and little seems likely in the near future.

to Alarcón, is misallocation of funds and personnel. Instead of providing technical assistance to the new and old small farmers, they are spending great sums of money on *promocion campesina*, competing with the unions in organizing the peasants.[41] In O'Higgins and Colchagua, INDAP unions openly compete with the UCC. These government-controlled unions are criticized by UCC leaders, who attribute many of the organizational shortcomings and financial difficulties of the government agencies to their involvement in activities that should be left to the independent unions.

UCC's claim to independence and its criticism of INDAP are not strengthened by the fact that it receives financial support from the International Development Foundation, which has been identified as a receiver of CIA funds. Apart from this political dependence, UCC after 1966 failed to match the dynamic peasant-union organizing drive directed by Jacques Chonchol of INDAP. By the middle of 1968 INDAP had organized nearly 75,000 peasants; UCC less than half this number. Despite the hostility between Chonchol and the *oficialista* (rightist) wing of the Christian-Democratic party, Chonchol has created a broad base of support for the party in the countryside. Nevertheless, because the oficialista sector of the party controls the party machinery, the PDC candidates for whom the newly unionized peasants will vote hardly reflect the views of Chonchol and INDAP.

UCC Attitude Toward the Government

Although the UCC is inspired by the same social-christian doctrine as the Christian-Democratic government, it maintains its separate identity, stressing the independent role of unions as a means of defending the immediate economic interests of its members (*gremialistas*). The UCC claims that it does not support the PDC unconditionally, though it is politically and electorally allied to it. The UCC supports government action favorable to its constituents but rejects government dictation of the terms of labor contracts. Alarcón defines

41 *INDAP Informa*, May 12, 1966.

the position of the UCC in regard to the government as one of "collaboration from independence." The UCC's major quarrel with the PDC government is that it wants to be consulted on plans concerning agrarian reform rather than being the object of government-sponsored programs drawn up by technicians.[42]

Up to the present the campesino has lacked direct representation in the government. Peasant leaders generally reject the idea of trade unionists becoming parliamentarians, but seem to favor candidates who might somehow be under the control of the trade unions and spokesmen for the campesinos. There is implied criticism of the government in these attitudes, but it is largely that of a loyal opposition. The UCC's major criticism is that the government has not planned and categorically defined which areas it will expropriate and which it will not. Alarcón warns of the long-term dangers of raising the campesinos' hopes for land (President Frei's promise of "100,00 proprietors in six years"). Up to now expropriation has resulted from local conflicts and has not been carried out according to a plan. Alarcón fears that failure to order the process of social change could lead to frustration, with peasant supporters turning from the PDC to the Left.[43] The UCC also objects that the government has not solicited the collaboration of private associations in the initiation of its agrarian

[42] The political use that the PDC and Frei are making of the UCC (and the UCC's willingness to become an instrument of government policy) was clearly shown in the peasant strike organized by the leftist-led *Federación de Campesina y Indígena*. During this strike of over 2,000 peasants in the province of Colchagua (Oct. 1966), the government supported the landowners and forced the UCC to act as strike-breakers. One US observer noted: "in the Colchagua strike the UCC was forced to throw its full support behind the Frei regime . . . there was another unlikely ally of the government, the landowners of Colchagua." Terry L. McCoy, "Chile's Campesino Strike," *Wisconsin Land Tenure Center Newsletter*, No. 25 (Nov. 1966–Mar. 1967), pp. 12–13.

[43] A recent survey study of peasant attitudes directed by the Chilean Catholic University concluded that if rapid development did not occur shortly, an enormous mass of discontented peasants could provoke conflicts that would not be easily resolved. The study pointed out that 40 percent of the peasants interviewed were very dissatisfied, 42 percent moderately dissatisfied, and only 18 percent mildly dissatisfied with their present situation. Cited in *Ercilla*, May 18, 1966, p. 16.

reform. It displays thinly veiled hostility to the tendency of the professionals and technicians in the government to draw up plans and make decisions without consulting organizations in the field.

To bring about positive action the UCC intends to expand and strengthen the peasant unions both as pressure groups and as a means of making the campesino aware of his problems and the means of resolving them. Specifically, it plans to organize the small farmers into cooperatives; participate in the *asentamiento* (land-reform colony) and gradually transform each local union into a cooperative as the campesinos obtain title to the land; and promote share-cropping or profit-sharing between unions and owners of farms that will not be expropriated.

Profit-sharing is a new approach, first attempted in the fundo El Higueral in Aconcagua. After the owner refused to pay a daily wage of four escudos, which he claimed he could not afford, an agreement was made whereby the union would run the fund and split the earnings with the owner. There was a 40 percent increase in production and the peasants' salaries rose to 13.5 escudos daily.

UCC's proposals and criticisms are eminently "reformist": its organizational changes and political clarifications are certainly compatible with the PDC framework, since they do not challenge the values and general assumptions of the PDC government. However, one can foresee conflicts arising, specially over the question of who may organize the campesinos. The extent to which these conflicts become serious will depend on the extent to which the government honors its commitment to shifting the base of power in the countryside from the landowners to the campesinos.

In more general terms, what has been discussed in this chapter is the importance of trade-union organizational strategy and government policy as factors influencing social development in the countryside. That these factors have resulted in the emergence of large-scale social organization in rural Chile suggests that political choice and political intervention are at

least as important as impersonal economic processes and sociological "laws" in the developmental process.[44]

POPULAR PROMOTION

Although government policy has been an important "enabling factor" in the growth and development of peasant unions, it has not been important in determining their character and internal life. This does not appear to be the case with Popular Promotion, another mass organization initiated by the Christian-Democratic government. Popular Promotion, with its limited autonomy and its links to the government, contrasts sharply to the freewheeling peasant unions—a contrast that reflects the differences between the corporatist and populist tendencies in the drive toward national regeneration.[45]

The main function of Popular-Promotion governmental agencies, according to Claudio Orrego, one of PP's national officials, is to provide economic resources for local organizations that have been established to deal with specific problems affecting the community. These problems center around the lack of "infrastructure" in each neighborhood: water, electricity, schools, and so forth. Popular Promotion works mainly through the neighborhood councils (*Juntas de Vecinos*) and the mothers' centers (*Centros de Madres*). By concentrating its resources on these organizations the government hopes to transform them into self-promoting agencies for social development. At present the organizational network of Popular Promotion has spread through nineteen provinces, mostly in urban areas.

In terms of organizational effectiveness, the mothers' centers have been the most successful. Most of their support has come from lower-class urban women. The mothers' centers have three basic functions: to provide an outlet for sociability; to

[44] For an excellent discussion of "choice" in development policy, see David Apter, *The Politics of Modernization* (Chicago: University of Chicago Press, 1965), pp. 1–42.

[45] Information was gathered through interviews with administrators of Popular Promotion. Claudio Orrego, a national official, was especially helpful and informative. Information was also collected during visits to neighborhoods.

provide basic educational facilities, such as courses in child care; and to provide resources for supplementing income, such as sewing machines for making clothes. The mothers' centers see the establishment of small-scale commercial enterprises as a possible outgrowth of their third function. Popular Promotion facilitates this process by selling the sewing machines to the mothers' center groups: action for self-help is directed to entrepreneurial activities.

According to Orrego, neighborhood groups arise spontaneously, but are usually lacking in "leadership." Popular Promotion enters the picture, first to become informed of the problems and activities of these groups, and then to provide whatever help it deems necessary. In the course of this initial contact, government officials propagate communitarian—self-help ideas ("to accept working for themselves"), attempt to instill responsibility, and provide technical aid.

According to Orrego there are 15,000 to 20,000 organizations currently involved in Popular Promotion. Of these, 10,000 to 12,000 are mothers' centers, of which nearly 70 percent are found in Santiago itself. He claims that 70,000 individuals attended courses in 1965, and over 500,000 were involved in one Popular Promotion program or another.

Because of the magnitude of its operations and contacts, Popular Promotion seems to be one of the most important links between the government and the people, especially the lower classes, before and after elections. It is especially significant that a disproportionate percentage of the organization is oriented toward lower-class women, a decisive element in the last Christian-Democratic electoral victory. In the future, Popular Promotion's ability to combine effective political education with its self-help programs, and subsequently to create local PDC cadres, will determine its effectiveness as an instrument for institutionalizing electoral support. One way of keeping the support of the PDC's electoral base would be to select individuals from each group who show particular interest in mobility and put them through a special training course. The achievement of special status would create a

loyalty to the government among these individuals, and they, at the same time, would help promote the technical-assistance programs proposed by government agencies. Furthermore, this visible mobility from the slums of individuals selected by the government might also strengthen the government's reformist image among lower-class people in contact with the local organizations.

Orrego describes the process of recruiting personnel for the self-help program as one of choosing the "most intelligent and alert women." These women are given special courses and then sent back to their *poblaciones* as teachers to direct the centers. The tactic of co-opting local leaders has been used and found effective by other agencies, but Popular Promotion has gone about it more consciously and used it to a greater extent. Their strategy appears to be to combine technical training with political indoctrination. Technical competence legitimizes the PP's trainees' leadership position, and enables them to serve as local political leaders for the government.

Popular Promotion is an outgrowth of earlier efforts at grass-roots community organization by the Catholic Church. However, the present organizations, unlike the earlier charitable private associations, are seeking legal status in order to be able to provide for group ownership. And the government has moved on a massive scale compared to the earlier efforts of the Church. The leaders of Popular Promotion see the change from religious-sponsored to government-promoted community organization as increasing both quantity and quality. Popular Promotion sees religious efforts as paternalistic, resulting in a "mendicant mentality" among the recipient, whereas its own efforts help the poor to help themselves, an ideology more in tune with the democratic spirit. In reality, however, a great many of the concepts of Popular Promotion, if not the idea itself, grew out of the Church, specifically from DESAL, the institute of Roger Vekemans, the Jesuit sociologist. The communitarian ideology frequently uses terms like "social integration" and the "organized community," all of which appear regularly in the publications of

DESAL.[46] The religious institutions have neither ceased their activities nor been by-passed; Vekemans and his associates continue to influence Popular Promotion's institutions, and the Catholic Church continues to promote self-help.

Image and Orientation

Popular Promotion is expected to become an official government ministry, officially to coordinate social services. Whatever political purposes will be served by this move, Popular Promotion's intention to create instruments for solving problems that will by-pass the bureaucratic trauma (the endless processing of documents) will be enormously popular. It is not clear, however, what resources will be made available to permit by-passing of bureaucratic bottlenecks. Popular Promotion hopes to provide each neighborhood council with technical and organizational assistance during its initial stage of development, and intends to be available for further assistance as each program unfolds. Later, when the organizations are established, it is hoped that recipients will repay the state for its initial aid. In this way, the self-help ideology would reduce the lower classes' financial dependence on the government by creating self-financing units.

The problems on both ends of this project will be difficult to solve. The shortage of government funds evidenced by sharp cutbacks in the basic programs of housing and highway construction in 1966 indicates that funds for new projects will be quite limited.[47] Similarly, the experience of CORVI (Housing Reform Institute) indicates that for persons living barely above subsistence, loans usually amount to grants that are used to satisfy immediate consumer needs.

Political activity is an avowed interest of Popular Promotion. In fact, one of the underlying assumptions of the agency is the inadequacy of the parliamentary system. Popular-

[46] See especially the research on social development in Centro Para el Desarrollo Económico y Social de América Latina (DESAL), *América Latina y desarrollo social* (Santiago, Chile: 1965), I, No. 2.

[47] The cutback in public works was announced by Minister of Finance Sergio Molina, in July 1966. *El Mercúrio* (Santiago), July 3, 1966.

Promotion spokesmen feel that the parliamentary system creates a dependency mentality among the citizenry (since they must petition a deputy for change) and fails to involve the people directly in the solution of their problems. The neighborhood councils, according to Popular Promotion, will participate directly in municipal politics.[48] In each town, they will draw up proposals for action together and present them to the Mayor and to a group of PP technical advisors who will discuss them with council members in terms of financing and feasibility. If no agreement is reached, the council will then take its proposals to the municipal council (on which it has one-quarter of the votes).

Popular Promotion does not envision class struggle against the privileged and economically powerful groups in society, or an attempt to redistribute wealth through popular struggle against the old elites. In fact, Popular Promotion specifically avoids that type of activity and focuses on community collaboration, attempting to create new sources of wealth without altering the power structure. Its style of "popular participation" is quite different from the activities of peasant unions and industrial trade unions. It is interesting to note that Popular Promotion has done little in rural areas, offering some technical aid to the militant new peasant unions and little more. PP also finds it difficult to work with trade unions, precisely because it wishes to avoid explosive situations among the more politicized sectors of the lower class. Because trade unions are organizations built to defend specific social classes from other social classes, and because the government has not been willing to confront the entrepreneurs, labor is less likely than the junta to depend on the government for assistance. Labor unions are autonomous agencies expressing class forces, whereas Popular Promotion is an agency of the government that seeks to minimize social polarization.

Popular Promotion conceives of its program as politicization of a new sort. Previous political activity focused on a party or ideology or deputy; now, Popular Promotion feels it

[48] *El Mercúrio* (Santiago), June 24, 1966, p. 3.

is creating a "practical politics" that focuses on what should be done in a specific situation. In effect the new politics concerns itself not with the national or even provincial or municipal level, but with that of the neighborhood—with improving local bus service rather than national budget allocations for transport. However, by putting pressure on the municipal councils, the juntas can also put pressure on the deputies and municipal councilors, rather than appealing to them for personal favors as in the past. In order to overcome the corruption inherent in the complicated system of personal favors and pull (*cuña*) in municipal and parliamentary politics, Popular Promotion proposes "more direct contact with the national government." It sees nothing wrong with the government's sponsoring neighborhood organizations. Claudio Orrego stated that: "As long as the people see the government working for them they will associate it with the PDC and Frei." In other words, Popular Promotion sees the growth of institutions that support the present government as justified in terms of the social benefits these institutions' members are receiving or will receive. The "new politicization" Popular Promotion cites refers to the increased number of people involved with neighborhood issues and the promotion of their identification with government.[49] In such a context the activities of Popular Promotion appear to its spokesmen not as proselytizing for the PDC but as "maintaining faith in that government."

National Political Significance

The control and orientation of participation and self-help, politicization and autonomy, in the last analysis are vested in the government itself. Specifically, Part 4 of Article 4 of the *Project to Legalize the Neighborhood Councils and the Community Organizations* published by the Chilean government in 1966 specifies that: "the supervision and recognition of the

[49] Arguing that Popular Promotion is an "apolitical" organization, Sergio Ossa Pretot, the National Advisor of Popular Promotion, ends by saying: "The integration of these communitarian organizations as cooperators of the state and municipality could be interpreted . . . as a highly political end but not as a partisan type of politics." *El Mercúrio*, Feb. 16, 1966.

neighborhood councils and the community organizations in general corresponds to the Ministry of Interior." Popular Promotion may reduce pork-barrel politics on the local level, but not in the ruling party and the executive. Indeed, Popular Promotion's concentration on practical neighborhood issues may inhibit the organization on a local level of political opposition to national policy.[50] Popular Promotion's emphasis on finding means to ameliorate and accommodate within the social system, without raising basic questions of power, is to the advantage of the socioeconomic elite and the party in power.

The basic weakness of Popular Promotion is that in order to provide the resources for broad social development, the over-all productive system must be capable of dynamic growth, and in Chile it is not. Otherwise, change will be unequal and limited to a few strata; and the marginal improvements in status these strata gain by contact with Popular Promotion will differentiate them from the rest of the populace, possibly engendering further social conflict and certainly exposing them to co-optation. In Chile this is already happening.

Within the present stagnant and hierarchical society, Popular Promotion will find it difficult to dynamize social development; its assumption that it can do so incorrectly presupposes that income and investment are already increasing. As a result, in the present system Popular Promotion will probably only serve to distribute marginal favors, while inhibiting the populace from influencing basic decisions which will continue to be made by the economic and political elites. On a practical level the limited nature of incentives available to Popular Promotion to sustain activities, and its lack of the resources necessary to realize its goals, will probably lead to frustration or political cynicism, or both. The pervasiveness of ideological politics in Chile will probably lead to the growth of ideologi-

[50] In a propaganda comic book distributed by Popular Promotion, the villain is a man who wishes to discuss the government's policy, and the "good guys" are people who work to improve the neighborhood. The moral: "You're right, López, one should cooperate more and talk less."

cal factions in the neighborhood and other centers despite the avoidance of ideology by Popular Promotion's national directors.[51]

CHRISTIAN-DEMOCRATIC POLICY AND THE INDUSTRIAL LABOR MOVEMENT

Chile's working-class movement is currently at a critical point in its history. The numerically weak and organizationally fragmented labor unions under Communist-Socialist leadership are a main target of the Frei government.[52] Two distinct political characteristics are made visible by the PDC offensive against industrial labor unions. One is the aggressive hostility of the Christian-Democratic government, marked by subtle changes that go far beyond the surface "reformism" that impressionistic commentators have noted. The other is the paralysis and demoralization (a result of the labor movement's ideological confusion) threatening to further weaken a labor movement that could be an influence for social change.

A brief description of recent events affecting one of the few organizationally strong trade unions, the copper miners', is necessary for an analysis of both the distinctive nature of Chilean Christian Democracy and the challenge it poses for organized labor in Chile.[53]

Copper is Chile's source of foreign-exchange earnings: it

51 Factional political strife is already apparent both in Santiago and in the provinces. See "Promoción Popular divide a las madres en Copiapó," *El Siglo*, Nov. 11, 1965.

52 About 12% of the labor force is in unions, which comprise more than 2,000 federations (craft unions) and plant unions. See Barría, also Lewis Diuguid, "Land of a Thousand Strikes" (republished from the *Washington Post*, Apr. 7, 1966, by the Alicia Patterson Fund). The Labor Code effectively prevents unionization of workers in factories of fewer than 25 workers, and seriously hinders both the organization of industrial unions and industry-wide negotiations. What the Labor Code is unable to do, the government accomplishes through the use of "extraordinary powers," edicts that allow the military to occupy an area and put it under military control, take over factories, and draft strike-breakers. The Chilean Labor Code and the restrictions on the labor movement are reminiscent of the early industrial period of Western Europe, as is the attitude of the Chilean entrepreneurs.

53 The response of the PDC to the port, railroad, and cement workers has been similar to their reaction to the copper workers, but less intense.

produces about 600,000 metric tons of copper annually, almost all of which is exported. The nation's 17,000 workers in the copper mines and ports are organized into the Copper Workers' Federation, which is led by the Socialists and Communists. However, more than 40 percent of the copper workers themselves voted for Frei in September 1964—though probably for the last time. In 1965, the Frei government's copper bill passed in Congress, after hard-fought opposition by the FRAP. In exchange for tax concessions and guarantees against nationalization the bill provided that US corporations would agree to increase production from 620,000 metric tons per year to about 1 million metric tons per year, and increase the amount of copper refined in Chile from 270,000 metric tons in 1964 to 700,000 metric tons in 1970. It also provided that the Chilean government would purchase 51 percent of the stock in the El Teniente mine (one of the least profitable of the larger mines) and be given 25 percent of the stock in two new companies, Cerro Exploration and Exotica, as well as 33 percent in any new company organized by Anaconda. The US Department of Commerce reports that under the new terms the Chilean government, while increasing its gross receipts from the increased production of copper, will suffer a 16 percent reduction in earnings per ton of copper produced. This aspect of the "Chileanization" of the copper mines has been less publicized in Chile, since it will result in higher profit remittances for the US corporations per ton of copper produced.

The stated purpose of the bill was to provide revenue for Chile to finance public works and other reforms. For the Left the copper legislation was symbolic of the Chilean economy's continuing dependence on the United States. Minor improvements in the provisions of the bill concerning fringe benefits for miners were obtained through a 37-day strike in November and December 1965. The company and the government, following an anti-inflationary policy of controlling wages and not profits, were willing to "readjust" wages, but in relation to their estimate of the rise of the cost of living, not in relation

to the high productivity of the workers or the increased profits of the copper companies.[54] As a result, in January 1966 the miners in the El Teniente mine struck for wage increases.

When it became clear to other unionists in the industry that the government was not bargaining in good faith with the El Teniente workers, a sympathy strike was declared in the northern mines. The government declared the sympathy strike illegal; then, using an "internal security" law passed during World War II, decreed military intervention. On March 11, troops invaded the union building at the El Salvador mine, attacking the workers and their wives, who were meeting inside. Six workers and two housewives were killed and about forty others were wounded. Unlike previous conservative regimes, which tended to offer conciliatory formulas and to blame local officials when such incidents occurred, the Frei government immediately defended the massacre. Frei, speaking on nationwide radio, charged the trade unions and FRAP with "sedition" and "rebellion against legitimately constituted authority." He went on to say that the armed forces had "fulfilled their duty."[55]

Shortly after Frei's speech there was further indication that his government was neither liberal nor reformist. Three days after the massacre, the government organized a "spontaneous" rally of public employees and government-controlled slum-neighborhood groups in front of the presidential palace. The theme of the rally was "Don't weaken, Mr. President." Mass mobilization against unionized workers, in favor of a repres-

[54] The announced profits of Kennecott for 1965 were $102 million, compared to $66 million in 1964. During 1964, US corporations garnered $48.8 million, $11 million more than the profit average for the years 1948–1957. From 1924–1951, Chile financed US industrial development through copper profit remittances to the tune of $216 million. See *El Siglo*, Feb. 24, 1966, p. 6. A pre-election understanding between Frei and US investors has been suggested: the claim is that the copper companies financed part of the Frei campaign.

[55] Frei said that the army had been attacked by the workers, which hardly seemed likely given the death toll. (*La Tarde*, Mar. 12, 1966, pp. 8–9.) The best single report that clearly refutes the official interpretation was "La verdad de lo que paso en el Salvador," by Mario Gómez López *et al.*, Mar. 26, 1966. Coverage appeared in *Ercilla*, Mar. 16, 1966.

sive policy, is an innovation that can be credited to the Frei government. That the PDC was moving to the right was evident not only in Frei's casual mention of the reform program, but in his anti-Communist slogans directing the crowd's wrath against Fidel Castro, who had said of Frei: "He promised revolution without blood and he has given blood without revolution." The slogans coupled anti-Communism with rabid chauvinism, both of which have a strong appeal for petty shopkeepers and the Chilean middle class in general. Pro-government newspapers headlined Castro's speech: "Castro Slanders Chile."[56] The government organized similar "Don't weaken, Mr. President" rallies elsewhere in the country. Business groups that had been uneasy over Frei's reformist demagoguery became his staunchest supporters.[57]

Though the style (and to a certain degree the orientation) of the Christian-Democratic government is generally corporatist, the Frei government has not mobilized to assault the Left directly in the style of the 1930s. It has not done so because the PDC is split in its attitude toward the Left, the unions, and important issues such as US copper guarantees that would allow for a full-fledged corporatist state. But the PDC's use of

[56] The conflict began when Fidel Castro sent a letter to the United Nations describing Chile and eighteen other Latin-American countries as "dominated and exploited by imperialism." The Christian Democrats, who were to sign a loan agreement of $80 million with the US the following day, launched a full-scale propaganda attack on Cuba, the Tri-Continental Congress, and Fidel. See *El Mercúrio*, Feb. 14 and 15, 1966; *Ultima Hora* (Santiago), Mar. 12, 1966, p. 14.

[57] "Respaldo Democrata y Repudio al Castrismo," *El Mercúrio*, Mar. 15, 1966. An excellent barometer of US-investor and Chilean-economic-elite sentiment is the rightist newspaper *El Mercúrio*, owned by the wealthy financial-industrial-landowning Edwards clan. *El Mercúrio* solidly backed Frei, and in fact its editorials frequently anticipated Frei policy. Internationally, Frei's "get-tough" policy was interpreted as an obvious shift to the right. *Ercilla*, a widely read news-weekly, reported that in Panama, at a meeting of the Organization of American States, diplomats reacted to the events by asking the Chilean delegates if they would not be interested in extending the policy on a continent-wide basis. They asked questions such as: "Is your government still opposed to the formation of an Inter-American Peace Force? Do you still shut your eyes to the role of communism in Latin America? Does Foreign Minister Gabriel Valdés still think that communism is a secondary matter and that the main thing is to defeat misery? Haven't you seen in the copper strikes that misery and communism are the same thing, and that to defeat the former you have to overcome the latter?"

the broad powers allowed the Chilean state by the legal code shows a rather heavy-handed tendency. The government's handling of the copper strike and its aftermath was consistent with the program and policy the PDC has been pursuing since taking office. The government was at first on the defensive, recognizing that its copper bill made it vulnerable to nationalist criticism. An editorial in the Christian-Democratic theoretical magazine, *Política y Espíritu*, asked in the fall of 1965 that critics "take into account international difficulties, as well as the minimum prudence of a government that is beginning and that, in order to firmly plant its reforms, needs to take measured, sure steps."[58]

Yet even in 1965 the policy that would dictate the El Salvador massacre and the PDC's self-proclaimed "*mano dura*" ("hard hand") toward the organized workers existed. The government, to carry out its part of the copper deal with the US companies, was committed to providing a docile, disciplined labor force. In its dealings with foreign investors Frei's government does not resemble other Latin American "populist" governments. Frei has rejected the path of nationalism taken by Lázaro Cárdenas with Mexico's oil and Juan Perón with Argentina's railroads, and has opted for collaboration with foreign and domestic private investors. This, of course, makes it very difficult for Frei to play the role of champion of industrial labor, as Perón and Cárdenas did.

The PDC has done very little to ingratiate itself with the industrial labor movement. The Christian Democrats have used their majority in the Congress and their traditional-rightist support in the Senate to push through legislation fixing the limit on wage demands; Congress has also granted the President the power to use the armed forces to break any strike that demands a salary above that limit.[59] The state (PDC) determines the legal limit of wages according to its

58 "Editorial," *Política y Espíritu*, No. 292 (Sept.–Oct. 1965).

59 On Feb. 1, 1966, the PDC-dominated Congress (with support from the Right) voted to give the Minister of Labor the power to decree the reopening of any enterprise on strike. The President is empowered to send in the military after ten days of a strike, and to have a labor dispute settled by compulsory arbitration. See *El Siglo* and *El Mercúrio*, Feb. 2, 1966.

indices of the rise in the cost of living. The labor unions have argued that the PDC has underestimated the cost of living by 40 percent.

In addition, strikes by large sectors of the labor movement (public employees, employees in "autonomous" agencies, and so forth) continue to be declared "illegal." The overall effect of this restrictive legislation is to weaken the collective bargaining process. These restrictions minimize the effectiveness of the unions, almost the only instruments that defend the interests of the urban workers, by denying them their only weapon against the employer—the threat of a strike. The PDC's "income policy" would subordinate the presently fragmented and weakened labor movement to the state, without an equivalent limitation of the power (direct access to government officials) and privileges (high profit-margins) of the employers.

The government's accommodation of existing investor elites is matched by its unwillingness to work with the Left on crucial reform issues. The government agrarian-reform bill was passed in an emasculated version after more than two years, though the votes of the PDC combined with those of the FRAP, which supported the bill, could have passed a strong bill immediately. Because of its defense of the US copper deal, the PDC found itself, willy-nilly, in a working relationship with the traditional Right. During this period Frei declared categorically that all "efficient" landowners would not be expropriated. The government has also attempted to manipulate peasant unions to its own advantage. The government newspaper, *La Nación*, has repeatedly printed stories about peasant groups "supporting" the government's opposition to the demands of the miners' unions. In the wake of the El Salvador massacre, government-patronized peasant-union leaders offered the government "one day's salary" for the losses due to the copper strike; on the afternoon following the massacre, *La Tarde*, a pro-PDC daily, announced that peasants were "volunteering" to replace the striking miners.[60]

[60] *La Nación*, Nov. 4, 1965, p. 4; *La Tarde*, Mar. 12, 1966, p. 16.

Though the Christian-Democratic movement is clearly civilian-based, it has not been afraid to call upon its allies in the federal police (*carabiñeros*) and the armed forces to pressure the labor movement. For example, in Chuquicamata, one of the northern mines, soldiers imposed rigid military control to prevent workers from even holding assemblies to discuss organization during the prolonged strike. Houses were raided and leaders were arrested. Said the conservative daily *El Mercúrio*: "Personnel of the armed forces and police have guaranteed the freedom to work in the mine."[61] The local police chief at this mine has a fancy suite in the guest house maintained by the Anaconda mining company.

In line with its "direct-confrontation" style of politics and its attempts at involving mass movements to legitimize repression, the PDC utilizes the rhetoric of radical and even revolutionary movements to castigate left-wing opponents. Before and after the copper strike, the PDC launched a violent propaganda campaign against the labor unions, accusing the miners of being "privileged" and "traitors to their class."[62]

In the early months of the PDC administration, before the concerted attacks on organized labor, the government attempted to undermine the existing left-wing-led unions. The PDC formed a rival labor federation to the Marxist-led CUTCH, the MUTCH, (*Movimiento Unitario de Trabajadores de Chile*), which Frei hoped would provide a firm labor

[61] *La Nación*, the official government daily, spoke during an earlier strike of "the executive being disposed to give protection to workers who want to return to work, respecting the customary norm, the right to work." The custom of strike-breaking is old and well-established in Chile. *La Nación*, Nov. 15, 1965, p. 21.

[62] See *La Nación*, Oct. 31, 1966, p. 18. The myth of a "workers aristocracy" among Chilean copper workers, at least among those working at the El Salvador mine, is pretty much demolished by the following data, which I collected in Chile in 1965–1966.

Workers (head of households) living in adequate housing	980
Workers' families on a waiting list for houses (some as long as four years)	600
Families living in atrociously inadequate housing in Pueblo Hundido (1¼ hours away)	500
Single men living in bunk houses (away from families)	500
TOTAL	2,580

base for his government. The government encouraged these so-called "free unions." Frei spoke at a MUTCH May Day rally in 1965, attempting to use his official status to attract the masses away from the CUTCH's traditional rally.[63] Christian-Democratic delegates abstained from voting at the CUTCH convention in September 1965, thus withdrawing from the CUTCH for all practical purposes. But the attempts at forming rival unions have failed to entice the vast majority of the organized industrial workers from their traditional Marxist loyalties.[64] With the advent of the *mano dura* the Christian Democrats lost the support of some of the few important industrial unions.

The Frei government failed to build a viable base among industrial workers because it was unwilling to intervene in support of their immediate economic and social demands.[65] The government's commitment to economic development in collaboration with private industry prohibited open support of labor's demands and led eventually to open conflict with labor, specially over the government's fixing of maximum salary demands.[66] The Frei government has not been successful in convincing industrial workers employed by private entrepreneurs for private gain to forgo wage increases beyond the government-established level for the sake of the "national interest." As a result the government has applied administrative pressure and occasionally coercion to make labor minimize its demands in the hope that these tactics will promote increased production through a higher rate of investment by private interests.

The main features of the corporatist ideology were present

63 MUTCH's 1966 May Day meeting drew less than 3,000 people, many of whom were not industrial workers. Frei did not appear.

64 In the election of union officers to MADEMSA, Chile's biggest durable-goods manufacturing plant, the Christian-Democratic slate declined 50% between 1965 and 1966. A Socialist and a Communist replaced the two leading PDC members. *El Siglo* (Santiago), Apr. 19, 1966.

65 *Mensaje*, the Jesuit magazine, published a clear-sighted analysis and criticism of the government's labor policy after the El Salvador disaster. See "Huelgas y Disparos," *Mensaje*, No. 147 (Mar.-Apr. 1966).

66 Even at the Second Trade Union Congress of the Christian-Democratic party, government policy on salaries and the minor role of organized labor in the "revolution" came in for considerable criticism. *El Siglo*, June 10, 1966.

in PDC policy at least as early as September 1965, when the government told Chileans "to be prepared for a stage of sacrifices," and attacked the "great financial interests" and the "enemy hidden in the parties and trade unions obeying the Socialist-Communist command, namely the traditional Left connected by legitimate and illegitimate links to the people."[67] Anti-capitalist rhetoric to garner popular support was combined with an attack on organized labor with its "links to the people." So far the Christian-Democratic onslaught has been well-organized, aggressive, and, with the aid of force and promises, partly successful in weakening the effectiveness of the leftist labor organizations.

The FRAP has not helped the working class develop a clear strategy for protecting its interests. The Communists continue to look toward the "progressive" elements in the PDC and to point to the "popular forces" who voted for Frei.[68] Instead of launching a full-scale critique of the PDC's corporatism and proposing a plan of action to defend existing labor organizations, the Communist daily, *El Siglo*, has sought to remind Frei of his criticism of a massacre of workers in 1946, hoping in this way to appeal to traditional sentiments. *El Siglo*'s strategy has been to seek support from middle-class "progressives": thus, it gave considerable space to a statement critical of the massacre by the antiquated right-wing Radical party and some PDC elements on the fringe of the government.

The only Communist suggestion for following up the El Salvador massacre was for the participation of FRAP congressmen in a parliamentary investigation. At a rally celebrating the FRAP's tenth anniversary, Socialist Senator Salvador Allende emotionally denounced the Frei regime, but in the end said nothing more specific than that "the people" would provide the proper response to the unpopular policies of the government.

One of the impediments to the development of a FRAP

67 *Política y Espíritu*, No. 292 (Sept.–Oct. 1965), p. 1.

68 See *Documentos del XIII congreso nacional del Partido Comunista de Chile*, especially Luís Corvalán, Secretary-General, "Seguir avanzando con las masas."

counteroffensive strategy is the Soviet Union's influence on the Chilean Communist Party. A major Soviet goal was realized when Frei reestablished diplomatic relations with the USSR. In order to maintain good relations with Chile, the USSR officially considers Frei a "progressive." A week after the El Salvador massacre, Chile's ambassador to the USSR, Maximo Pacheco, reported that Frei still "merited special appreciation" in Moscow. The Soviets made it clear by their weak response to the US invasion of the Dominican Republic that they do not want any new obligations in the Americas at this time, and the Chilean Communist party is influenced enough to constantly remind Chilean workers of the "progressives" in the PDC.[69]

Unlike the Communists, the Socialists have rejected any collaboration with the Frei government. But they do not understand the new corporatist drift of the regime, nor have they seriously attempted any mass mobilization. Fundamentally, both FRAP parties are depending on parliamentary, legal, and constitutional means to combat the PDC offensive and the corporatist trend of the Frei government.

CHRISTIAN-DEMOCRATIC AND POPULAR-FRONT STRATEGY

There is a basic difference between PDC strategy and old-style, middle-class, Popular-Front political techniques. The strategy of the Popular Front was to recognize, legalize, and bargain with a thin stratum of the organized working class (12 percent of the labor force). This small group was granted legitimacy as a "bargaining partner" in order to separate it from the mass of unorganized workers. By granting the "privileges" of collective bargaining and legality to this group, the Popular Front hoped to split the working class socially and economically and to make its most politically active sector amenable to coalitions with the center.[70]

[69] The Soviet Union has recently granted over $50 million in credit and technical aid to the Frei government.

[70] The consequences of political stratification within the working class—

As a post-Popular-Front phenomenon, in a period of growing reform sentiments among the populace, specially among those heretofore "unorganized," Christian Democracy faces a new situation in which the old Popular-Front strategy cannot be applied. The ever-growing mass of people wanting to be incorporated into the national polity makes old-style "bargaining politics" untenable. Increasing recognition of the existence and potential power (expressed so far in a negative sense as rejection of the traditional Right) of the unorganized populace has led to intense competition between the FRAP and the PDC to organize this group. Because of the existence of this mass, with its growing insistence on change, neither the new middle-class PDC nor the trade-union-based FRAP can afford to enter into the old political relationships. Under these circumstances, the new PDC strategy is to incorporate the mass into its political apparatus and to use its own organizational resources to weaken and isolate organized labor.

The PDC does not see the organized labor movement as an ally in containing the lower class, as the Popular Front did. It sees the unions and the Left as competitors, as threats to the delicate internal coalition of the PDC, as forces that could replace the PDC in the government if the Left took over leadership of this available mass. The shift from a coalition-bargaining style of politics—the old Popular-Front strategy—to a corporatist style is the basic change the Christian-Democratic government has undergone.

The corporatist solution toward which the Chilean PDC is heading is dictated by its dedication to development above all else.[71] This development policy is influenced by and depen-

between organized and unorganized workers—has been noted by Bendix: "in effect legal opportunities have turned into privileges available to workers who are willing and able to organize in order to advance their economic interests. . . . [This] right to combine has given rise to a 'corporatist enclave.' " Bendix, pp. 86–87.

[71] Indicative of the predominance of the developmentalist tendency over "social reform" in the PDC's national leadership is the following statement attributed to the National Council of Christian Democracy: "the dynamic of economic development has not achieved the same velocity as that of social reform [which] puts the country in a precarious but not hopeless situation." *El Mercúrio*, May 29, 1966.

dent on traditional class forces, that is, foreign investors and local entrepreneurs, and its importance to the PDC is made clear by the sacrifices imposed on another class, the organized labor movement. This corporatist-oriented policy is to be realized mainly by institutionalizing and paralyzing most of the social forces that could endanger this policy, offering these forces marginal benefits and placing them directly under state control and influence.[72]

CHRISTIAN-DEMOCRATIC STRATEGY AND SOCIOECONOMIC DEVELOPMENT

In Chile, a government policy of extensive agrarian reform must have the support of organized labor and the Left to counteract the pressures of the conservative landowners. On the other hand, a policy of industrial development dependent on foreign investment and long-term investment guarantees against nationalization must have the support of the more conservative business and landowning groups. Government policy-makers indicate priorities by the issues, and hence the allies, they select first. Frequently the consequences of their first choice determine future possibilities.[73]

The copper bill was to have been a model agreement to be followed by an influx of new foreign capital to finance the government's development program. An alliance of the Frei government with the Right was thus dictated: the Liberals,

72 Probably the clearest expression of corporatist thinking was expounded by Minister of Labor William Thayer, when, referring to the role of the working class and trade unions under the Christian-Democratic government, he said: "the workers must integrate themselves in this society, not fight against it. The traditional trade unionism of struggle and opposition to the social structure must retain its cadres for integration into a society in which they will be the principal figures. We must make sure that this massive presence of workers in social life, on the economic level, on the cultural and educational level, is a sign of victory and progress and does not signify a frustration that will have disastrous characteristics from the point of view of the people." What Thayer has in mind is making the trade unions an extension of the productive process. See *El Mercúrio*, Jan. 19, 1966; also *El Mercúrio*'s editorial of Jan. 20, 1966.

73 For a similar discussion of decision-making and coalitions in Chilean politics, see Luis Hernández Parker, "Otra guerra por el cobre," *Ercilla*, Feb. 2, 1966, p. 8.

Conservatives, and Radicals provided the margin for passage of the bill. Subsequently, whether from conscious plan or by accident, the government rejected several clauses in the contract law that would have provided economic benefits for the copper workers. The government, consistent with its overall orientation toward foreign capital, sought to express its absolute control over the social situation in Chile and refused to negotiate the points in question. Its position of absolute authority was later justified by putting into force an absolutist interpretation of majority rule, whereby the majority rules and the minority submits without a quibble or is crushed.

The government apparently decided that firm handling of the strikers was necessary to convince foreign businessmen of the docility of Chile's labor force. There are, after all, other locations for profitable investment in South America: Chile is in a relatively poor competitive position vis-à-vis authoritarian dictatorships like Brazil, which currently has few labor problems. With competition for foreign investment from its relatively more repressive sister nations growing, the Chilean government decided to impose its own type of discipline on the labor force. In order to maximize its political authority, it denounced the striking trade unionists of the political opposition as being "politically motivated." The "political" charge was tied to pseudo-populist demagoguery that identified the strikers as a privileged group and then as "antipatriotic." The overall consequences were to polarize Chilean politics between Left and Right, and to increase the dependence of the Christian Democrats on the conservative groups in order to maintain their political authority.

The weakening of the labor movement and the clustering of traditional groups around a primary issue in the government's program create enormous difficulties for the government in implementing subsequent measures dependent on labor support, measures that the conservatives will oppose. The government's foreign-investment project and its insistence on maximum authority and labor docility create an unfavorable balance of power in the struggle for agrarian reform.

Labor, pro-agrarian-reform oriented though it is, will be of less help, since its major organizational resources have been weakened. And the resources of the groups opposed to agrarian reform have been augmented by the struggle over the foreign-investment issue. The PDC government, I believe, will fail in its attempts to create shifting coalitions on specific issues. Primary priorities and alliances subordinate and vitiate the undertaking of secondary priorities.

THE FUTURE OF CHRISTIAN-DEMOCRATIC POLITICS

The practical goal, as opposed to the communitarian ideology, of Chilean Christian Democracy is an institutionalized revolution based on a quasi-one-party system such as Mexico's where the opposition is ineffective and where the major social sectors are integrated into corporate bodies that make marginal demands on the system (Popular Promotion is one such body aborning) and can be managed by bargaining elites.[74] But the PDC cannot follow the Mexican example, for the Mexican revolution began as a peasant populist uprising and ended with a dominant capitalist class directing an institutionalized revolution and possessing a revolutionary myth. The forces that dominated during the revolution are not the forces ruling Mexico today. The Mexican bourgeoisie was the product of the Mexican revolution, not its maker.

In Chile, on the other hand, the accumulated forces of a prolonged capitalist development dominated the economy at the beginning of the PDC's "revolution in liberty." There was never a real revolution that dynamized society and provided the government with political power that could overcome institutional rigidities. The presence of bourgeois elements in the leadership of the PDC shows that Chile is attempting to make a Mexican-type revolution at a later, and hence impossible, stage in its development. It was the lack of a "modern"

[74] A good description of the problem of integration and marginality can be found in Armand Mattelart and Manuel Garreton (eds.), *Integración nacional y marginalidad* (Santiago, Chile: Editorial del pacífico, 1965).

sector that permitted the Mexican public authority to impose its institutions and mystique on the populace, enabling it to devise a strategy for capitalist development with the minimum of interference from particular interests. In Chile the overwhelming presence of a modern middle class holding powerful positions in the social-political-economic structure, a class with the ability to make demands on the system that can be backed up by the threat of withholding support, makes it impossible to imitate the Mexican experience. The modern sectors block, neutralize, or contain the explosive popular insurgent forces that could provide the necessary levers for opening society—as they did in Mexico.

The present Mexican elite essentially bases its legitimacy on the revolution, and its revolutionary myth has some historical relevance. In Chile the "revolution in liberty" lacks any basis in the present period or in a historical experience that might give it some political value as a myth. It is an artificial myth that, lacking any real basis, must of necessity have a weak effect in sustaining popular support. Election slogans such as "revolution in liberty," because they are premised on future gratifications, are only campaign promises. And when the future becomes the present, and the promise is unfulfilled, the electorate remembers.

The Christian-Democratic government and party may perhaps be the last political institution capable of preventing the Socialist-Communist rise to power. The old parties' bases have eroded as increasing sectors of the populace have begun to search for satisfactions that they have been denied. The populace is awakening, and the previous symbolic satisfactions—vicarious satisfactions such as the peasant's identification with the *patrón* or *señora*—are no longer acceptable. The inability of the traditional elites to meet the demands of significant rural and urban strata accounts for their plummeting popular support. The seemingly incongruous elements found in the PDC, from wealthy businessmen to poor peasants, reflect the pragmatic decisions of the socioeconomic elites and the populist appeals to the lower class.

Family and traditional attachments (in addition to political commitments and identity as a moderate group) make it very difficult for the PDC to radically change the existing social order. Its attempts to broaden political participation are mainly concerned with raising the living standards of new sectors of the population without interfering with the basic interests of most of the older groups. Its failures to raise the standards high enough for enough people is glossed over by publicizing incremental improvements.

In the cities the PDC throws a smokescreen over its socioeconomic links with the business elites by attacking organized workers striking for economic benefits (in a "revolutionary society") as "enemies of the people" and "counterrevolutionaries."[75] It cannot use this tactic in the countryside, where social conflict between the peasantry and the landowners is growing. The only "aristocrats" in the countryside are the landowners; in order to present itself as a popular party, the PDC must address itself to the peasantry. Moreover, the PDC is publicly committed to support the peasantry and to implement a radical agrarian reform.[76] If the PDC should cut itself off from the political support of the peasantry it would create the basis for a national popular alliance of urban workers and peasants that could undermine the stability of Chilean society and the authority of the PDC.

At present, government strategy seems to be aimed at weakening the independent, organized working-class centers; integrating through diverse government-sponsored and controlled institutions (mothers' centers, rural organizations, neighborhood councils) large numbers of potential but unorganized insurgents; and co-opting through party machinery and government subsidy a cadre of organized workers to maximize the party's authority in promoting Chilean economic development. The dominant tendency of the PDC is toward cornering the market on political participation and relegating the traditional Left to a permanent defensive position at the margin

[75] See "La CUT contra el Pueblo," *La Nación*, Jan. 31, 1966.

[76] See the editorial in *La Nación*, "Necesidad de la Reforma Agrária," Oct. 21, 1965, for a typical statement of this commitment.

of national decision-making. The utilization of populist myths, the ingenious manipulation of the mass media, official violence, and the attempt to establish mass organizations are serious attempts at maintaining a hierarchical social system in which only marginal changes are to be realized while rapid economic development is promoted.

The PDC's ability to use political organizational changes to achieve its goals depends to a considerable extent on which way the rural populace moves. The group that can shift control of the balance of political power from the bureaucracy and entrepreneurs to the industrial working class is the group that has heretofore been excluded from the polity, the peasantry. The startling growth of rural radicalism and its sudden intrusion onto the political stage could become an unstabilizing factor in Chilean society.

SUMMARY

The new Christian-Democratic government is consciously attempting to induce through manipulation of government resources what the economic system itself does not generate. The political entrepreneur as conscious creator of economic systems and shaper of values is the counterpart of the innovative capitalist of the last century. The political decision has partially replaced the invisible hand as the mechanism by which resources are allocated and demands are met. Failure by the political entrepreneur to adjust economic goals to social demand could lead directly to his own political demise. If the gap between the ideology of national regeneration and social reality exceeds certain limits, a new cycle of repression and conflict could ensue. The growing integration of the "political" and "economic" spheres may lead either to a corporate political system capable of containing conflict and mobilizing resources, or, through a series of crises, to a collectivist mobilization system. In either case, government-oriented or directed programs on a national scale, free of particularistic interests and committed to intense efforts to develop, are a necessity. A government run by bargaining interest-groups no longer seems viable from two points of view. First, previously unrep-

resented urban and rural groups have developed organs for dealing directly with the executive, and they perceive the "representative institutions" and the long-standing organized pressure groups as obstacles to the realization of their demands. Second, the upper levels of the bureaucracy, and the dynamic big entrepreneurs, seem anxious to promote development and tend to support increased executive power to achieve that goal (excluding, of course, competitive public ownership).

At the end of the first four years, however, the Christian-Democratic revolution has yet to get off the ground. In late October 1965, an internal party document expressing the discontent of 25 Christian-Democratic congressmen and youth leaders was made public. The dissenting party members demanded firm action against entrenched interests, and criticized the government for placating the economic elites rather than siding with the workers and peasants. These critics attack the policy of the government as being directed less toward structural reform than toward increasing production and satisfying short-term demands. Perhaps the most significant aspect of the party document pointed to growing demoralization in the ranks, and the "disintegration" of the party. It concluded with the words: "We do not believe that the revolution has begun."

In July 1967, the "rebel" parliamentarians led by Senator Gumucio won a temporary majority at the national party congress. The decline of the PDC's popularity (shown by its defeat in the senatorial by-election in Colchagua in June 1967), together with the decline of voting strength in the 1967 municipal elections, probably weakened the position of the conservative wing of the party. As a result, moderate elements in the party who fear the results of the loss of popular support in the next general election probably hope to recapture votes by taking a more leftist position. They may also pressure President Frei to push through some of the promised reform legislation whose failure to materialize has alienated the populace.

The countervailing forces within the Christian-Democratic electorate—the upper-class landowner and the peasant, the status-conscious middle class and the *callampero* (slum dweller)—have caused the government to waver and to evade decisive action. And the lack of decisive action for reform has caused increased frustrations, especially in rural areas.[77]

Ministries and legislative leadership are in the hands of the old leaders of the Christian-Democratic movement. For them, perhaps, the great victory was achieved, after 28 years, at the polls in September 1964. But for the young idealists, the técnicos who occupy second-level posts in the government, the battles are just beginning. In their ranks there is frustration at the takeover by the more conservative elements. Some are narrowing their sights; others are beginning to get restless and have opened an uneasy dialogue within the party; some have adapted themselves to the "new reality" and are talking of a "revolution tomorrow." So far, however, there have been few defections to the Left.[78]

For the middle and upper classes, the "revolution in liberty" has become a way of adapting the status quo to the reformist political climate, which still poses a potential threat to their interests. For the slum dweller and the peasant, it has meant unfulfilled promises, but not the abandonment of hope that they may be fulfilled. The inability of the Christian Democrats to mobilize their human and material resources has weakened the cooperative spirit that existed in Chile during the first year of the new government. The country is a long way from new revolutionary initiatives, and the communitarian spirit many Christian Democrats eagerly sought is gradually giving way to the old class antagonisms.

[77] In the municipal elections of April 1967, the PDC vote dropped to 36%. In June 1967, in an election to fill the vacancy of a deceased senator representing the rural provinces of Colchagua and O'Higgins, the FRAP scored a decisive victory in the process of defeating the PDC.

[78] In 1966 Congressman Patricio Hurtado was expelled; in 1967 Lorenzini, another congressman, left the PDC and sectors of the youth movement were expelled. The "rebel" congressmen have intensified their opposition and may also be expelled.

7
THE PEASANTRY: THE EXCLUDED STRATA

The peasantry is a potentially dynamic element in Chilean society. Until recently it lacked representation in the political parties or in the bureaucracy. It has been excluded from the political system and has had little return from the benefits accruing from its economic activity. Its sudden entrance into the polity is an unstabilizing element in Chilean society. The close identification with the existing social system of the bureaucracy and the entrepreneurs, the agreements and "bargains" between parties, and the political access of the industrial workers have been based primarily on the exclusion of the peasantry from effective participation in the political system. The subordination of the peasantry to the elite gave the elite some flexibility in dealing with the relatively smaller insurgent groups (middle strata, unionized workers). The growing radicalism of the peasantry makes all the old relations and adaptations subject to change. The subordination of the peasantry that has been a "constant factor" contributing to Chilean political stability has become an "operative factor" in the political system. The establishment of a new equilibrium

will depend upon institutional innovations that lead to the integration of the peasantry into the polity.

THE POLITICAL IMPACT OF MODERNIZATION

The process of modernization has been uneven in Chile, largely by-passing rural society. However, in recent years several trends have contributed to undermining the traditional patterns of authority and social relations in the countryside. These trends are increased communication among peasants, and between the peasants and sources promoting agrarian reform; growing corporate ownership of agriculture; mechanization of production and specialization of labor; the replacement of payments in kind by cash payments; migration of peasants to the cities; and commercialization of agriculture. With these social and economic developments have come two political processes: politicization and radicalization of the peasants. Politicization has resulted from proselytizing by the leftist parties; the growth of social differentiation among the peasantry (for example, the emergence of a significant landless proletariat), coupled with politicization by established left-wing groups, has increased radicalism, especially among strata near organized political centers.

Since the forces of modernization increase social differentiation one might suppose that political differentiation would also occur and that class position would become a determinant of voting behavior. Increased migration to the industrial centers, where there is often a good deal of organized political activity (for example, the mining municipalities), probably facilitates the diffusion of non-traditional political orientations. The interaction of modern and traditional exploited groups encourages interest-articulating organizations, group action and political behavior motivated by "self-interest" among the peasantry—features characteristic of the modern polity.

Although the peasantry has usually been analyzed as a social class with its own political needs, it has been seen only as a

class incapable of developing its own class consciousness and class organization. This is ascribed to its atomized nature—because of the nature of the peasants' productive activity they are isolated from each other; thus, effective political activity in defense of common interests is difficult if not impossible. Because of their identification with a specific plot of land, and their dependence on the landlord, the peasants have seemed to be most susceptible to being politically mobilized by the landlords.

In Chile, agricultural relations have become gradually modernized and traditional controls have been loosened considerably. One researcher who has done a careful study in the central valley of Chile has found that the modernization favored by the Chilean ruling class may be directly responsible for the growth of rural radicalism: "The principal impact of technological advance and farm rationalization has been to undermine the secure if impoverished position of the agricultural laborers which has been an important feature of the traditional system of employment. Wage rates are barely keeping up with consumer price increases and they may have fallen recently. Thus while the attempts to increase output and productivity have not been very successful, these attempts have led to changes which adversely affect the landless laborer. These changes in Chilean agriculture may lead to demands for a more radical transformation in the future."[1]

Recently, the Chilean peasants have emerged as a potentially powerful (and perhaps revolutionary) political force. The number of peasants involved in strikes tripled from 1964 to 1965. A number of fundos have been taken over by the peasants, sometimes by force, and some asentamientos have been established on expropriated lands.[2] Christian-

1 Sternberg, pp. 132–133.

2 An asentamiento is defined by the Chilean agrarian reform agency, CORA, as the two-year period of practical training and instruction in "cooperativismo" and agricultural techniques to be given to peasants receiving their land through the agrarian reform. The term is usually used to refer to the expropriated fundo itself, which the peasants, under the guidance of agronomists and experienced agriculturists, run cooperatively. "Que son los asentamientos?", *El Mercúrio, CORA* advertisement, Feb. 7, 1966, p. 26.

Democratic, Socialist, and Communist organizers have been active among the peasants and have established growing independent peasant organizations.[3] The presidential elections of 1958, and especially 1964, were hard-fought in the countryside, and the peasants were heavily propagandized by the leading candidates. The elections provided the *Frapistas* with an opportunity to speak to hundreds of thousands of peasants in remote and isolated fundos and communities that had been practically impenetrable to socialists and communists before. The Chilean peasants undoubtedly will have an increasingly important national political role in the years to come, and the presidential vote in different types of agricultural communes may indicate what that role may be.[4]

What is theoretically important about Chile's case is that competing ideologies and political programs, including the "revolutionary socialist" alternative, have more-or-less equal access to the Chilean peasants at a moment in history when the peasants are emerging as a national political force.[5] It is

[3] The FRAP organization among the peasants, led by José Campusano (a Communist) is the *Federación de Campesinos e Indígenas*; the Christian–Democratic organization is the *Unioń de Campesinos de Chile*, led by Héctor Alarcón. Both claim about 30,000 actual members among the peasants.

[4] The analysis of the political role of the Chilean peasantry is based on electoral returns in the presidential elections of 1958 and 1964 in the 195 agricultural municipalities of Chile. There is no comparable study. Chile is probably the only Latin-American country in which ecological analysis of election results is meaningful. Cruz Coke gives a competent ecological analysis of the 1937, 1941, and 1945 parliamentary elections, and the 1946 presidential election. The study is on the provincial level only (25 provinces), which of necessity obscures a great deal of variation within the provinces themselves and does not permit multivariate analysis of any kind.

[5] We can assume minimal tampering with the vote, minimal coercion, and thus minimal distortion of the actual results in the election under study. Until 1958, elections were carried out with each political party having a separate ballot. Parties were also permitted to print their own, identical to the government's, and distribute them. Thus, the patrones often simply gave the ballots for the party of their choice to their inquilinos, and provided them and nearby peasants with transportation to and from the polling places. With their ballots already provided, the peasants were not likely to ask the local registrar for a different party's ballot—if it occurred to them to do so. Whether provided with the "proper" ballot beforehand or not, their choice of party was, of course, known from their choice of ballot, and was information easily available to the patron. Moreover, despite the relative reliability of election returns, other not-so-subtle means of persuasion have

thus an excellent opportunity to study the differential political response of different types of peasantry. The interesting question is: what relationship is there between the structure of the agrarian labor force—or the class composition of the countryside—and the FRAP presidential vote?

AGRARIAN STRUCTURE

The extent to which different types of peasants have become integrated into the capitalist market economy, or have remained parts of essentially marginal-subsistence village or hacienda economies may affect the extent of their development of "modern" rather than traditional and patriarchal attitudes toward their place in the world and the possibilities of changing it.

Some 40 percent of the agrarian labor force in Chile are landless workers of one kind or another, essentially either inquilinos or wage laborers. Six percent of the labor force are medieros, or sharecroppers; another 53 percent are legally classified as "proprietors." Of these "proprietors," however, about half are peasant small holders.[6] These small holders own an estimated one percent of the arable land held by agricultural

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often been employed, so that returns do not necessarily reflect opinions. For example, before elections peasants might get the first shoe of a pair and their patron's promise of delivery of the second shoe once the elections in the municipality were won by his favored party; thus, the peasants would themselves put social pressure on recalcitrants to ensure receipt of the second shoe. Countless other similar devices were regularly employed. The change to a single ballot made coercion and persuasion of individuals more difficult, but tactics such as the shoe-prize, designed to get the peasants to apply pressure to each other on behalf of the patron, are not overcome by the single ballot. The relevant law: "Cédula Unica," Ley No. 12891, Artículo 19, *Cédulas Electorales.*

[6] Estimates of the relative proportions of inquilinos and wage laborers differ considerably. The 1955 *Censo Agrícola* suggests a figure of 12% inquilinos and 27% wage laborers. The authors of the CIDA report, using census data and other sources, estimate 26% inquilinos and 15% wage laborers—even with foremen and skilled workers (*"obreros especializados"*) included. See *Chile: Tenencia de la tierra y desarrollo socioeconómico del sector agrícola* (Santiago: Comité Interamericano de Desarrollo Agrícola, 1966), Tables B–12, B–13, and B–14, pp. 291 ff. Probably the two groups are increasingly intermixed, since inquilino children become wage laborers and some afuerinos settle down as inquilinos when they feel they can no longer "put down footprints."

proprietors, while the four percent of the agricultural proprietors who own the great fundos own an estimated two-thirds of the arable land.[7]

In Chile today, as in the past, the fundo is the predominant socioeconomic unit of the countryside. Before development, Chile was more-or-less a typical hacienda society. The fundo was—and is—managed either by the owner (patron) or by an administrator fulfilling a similar social role. The fundo was a self-contained world within which the patron exercised authority that was traditionalistic, particularistic, and patriarchal. Foreign economic investment in agriculture was never of major importance until recently, and the pattern of economic development in Chile was such that the agrarian social structure, and therefore the class base of the *terratenientes*, or landlords, was left largely intact. Isolated, localized, and few in number within the fundos themselves, the peasants formed a secure base for the power of the terratenientes.[8] The terratenientes have long been lords and rulers of their domains, have demanded and received the personal deference of the peasants, and have had reciprocal but one-sided social and economic relations with them. The patron and the peasant related in a delicate system of social status, honor, and prestige.

The fundo's major work force is made up of inquilinos—peasants who work the landlord's fields and contribute other types of labor in return for certain minimal perquisites or "*regalias*"—such as a "house" for themselves and their families, a ration of land, usually from a fourth to half an acre, and the right to graze their animals on the patron's land. The inquilinos, until recently, rarely left the fundo, and their lives centered within the world bounded (literally) by its walls. They were more or less completely under the rule of the patron, who constituted the fundo's law, rarely if ever challenged from within or without. Their values, their ideas about

[7] *Ibid.*, p. 43.

[8] See chap. 3 above for a discussion of the social basis of right-wing politics. Also Maurice Zeitlin, "Los determinantes sociales de la democracia política en Chile," *Revista Latino-Americana de Sociologia* (Buenos Aires), No. 2 (Aug.–Sept. 1966), pp. 223–236.

the world, even their sense of individual worth, were intimately tied to the values and preferences of the patron. He, in turn, regarded his inquilinos, and the peasantry in general, as children in his charge, to be disciplined, guided, and occasionally indulged. Under the rule of the terratenientes as a class and the domination of the patron as an individual, the inquilino was the basis of stability in the Chilean countryside. When the inquilino voted, if he voted at all, it was as his patron told him.

The introduction in 1958 of the single-ballot system of voting has made it easier for the inquilinos and other peasants to vote for the party of their choice. The emergence of the Christian-Democratic movement as a major political force has brought issues to their attention that were not legitimate subjects of public discussion and debate in the recent past. This in turn has eased Socialist and Communist political access to the peasantry. Of greater importance, however, in the growing political support for the FRAP among the peasants are the small but cumulative changes that have been occurring in the countryside. Electrification, the transistor radio, improved roads and others means of transportation—all have facilitated communication between peasants in different areas of the country. These changes have made it possible to reach many peasants simultaneously with new interpretations of their conditions of existence and with exhortations to change them. The large fundos apparently have become increasingly devoted to production for the market. New economic forms of agricultural enterprise are also beginning to change the face of the countryside. Agricultural corporations have gained in importance relative to the large individual landowner. These corporations now own a significant (though unknown) part of the arable land, especially that in large fundos.[9]

The production of crops for industrial purposes, the growth of logging and sugar-refining into important though still

[9] For instance, an incomplete study by Maurice Zeitlin of economic concentration shows that of the 20 largest fundos (measured in hectares of first-class land) in the ten major agricultural provinces from Aconcagua to Nuble,

small industries, and the increasing mechanization of the fundos have all contributed to changes in the external environment and internal social relations of the fundos, and have tended to undermine their traditional structures. A great many of the children of inquilinos and other peasants have been leaving the countryside for the cities and finding work in industry and construction. Since they maintain contact with their friends and relatives in the countryside, their experiences soon become part of the cumulative pressures for change in the peasants' ideas.[10] Even those peasants who stay on the land can visit the city and experience a different way of life. The possibility of leaving the fundos for the city also gives the inquilinos a greater independence from the patron, similar to that of the free laborer. Within the large fundos themselves, the wage laborers who form an important part of the fundo's labor force are from inquilino families, and are another important influence on the changing mentality of the inquilinos.

WAGE LABORERS

The wage laborer has a greater measure of freedom from the personal domination of the patron than does the inquilino. A

six, owning 29% of the land, belong to corporations; another two, with nine percent of the land, belong to limited partnerships by inheritance (*comunidades*); two more, with ten percent of the land, to government institutions; one, with four percent of the land, to the Catholic Church; and nine, with 49 percent of the land, to individuals. Raw data from ICIRA, Santiago.

[10] Bohan and Pomeranz comment: "The growth of cities in every section of the country gives evidence that the rural worker and his family are no longer satisfied to remain in an environment that gives little hope for advancement or improvement" (p. 40). My investigation indicates an absolute drop in the number of landless workers (inquilinos and wage laborers) between 1935 and 1955.

	All Provinces			*Aconcagua-Nuble*		
Year	Inquilinos	Wage Laborers	Total	Inquilinos	Wage Laborers	Total
1935	107,906	201,418	309,324	58,701	119,914	178,615
1955	82,367	178,612	260,979	48,986	101,492	150,478

These figures, to the extent that comparison between them is valid, indicate the vast migration of rural workers to the city. Thus, the indirect contacts that the rural workers who remain are having with the life of the city and of a politicized working class is obviously extensive.

variety of wage laborers, some unskilled, some specialized, some hired as day laborers and some for longer periods, work as substitutes or assist permanent labor in the fundos, especially at harvest time. Many of them are the so-called "*afuerinos*" (literally "outsiders") who, from what little is known of them, may be virtually landless workers, or *minifundistas*, sub-family-plot subsistence peasants, who come to earn something extra during the harvests; many live in pueblos or aldeas, local neighborhood settlements adjoining the great fundos. There may also be some children of inquilinos among the wage laborers. Many laborers may be more-or-less permanently settled in agricultural areas that regularly require wage labor, while others may appear seasonally and disappear in search of work elsewhere once the harvest or whatever work they have been doing ends. Many afuerinos may leave their families behind in their quest for work in distant fundos, or in casual labor in the towns, as miners, factory, or construction workers. Still others, probably a very small minority, travel great distances over the length of Chile to find work—from the nitrate fields of the desert north to the green cattle-raising lands of the deep south more than two thousand miles away, even crossing into Argentina occasionally. Thus afuerinos may have lived and worked in countless places and experienced things that inquilinos and peasant proprietors may be aware of only indirectly, if at all. In general, the search for work brings the afuerinos into contact with other peasants with whom experiences can be shared and tales exchanged. The contact many have with industrial workers, especially with miners, who have long been the center of Chilean working-class organization, gives the afuerinos a taste of unions, of class conflict rather than submissiveness, of the possibilities inherent in class organization, and provides them with different explanations of social reality than the inquilino's. Moreover, the very fact that they work for wages and have worked for many patrons, that they have no reciprocal obligations to any patron other than to work for money, means

that they are unlikely to be subject to patriarchal domination or to develop particularistic loyalties.

All of these factors—the afuerinos' extensive communication with others of their class, their contact with organized workers, their experiences in contrasting social settings, and their lack of particularistic loyalties to a specific patron—incline them to see the common interests they share with other peasants and workers and to accept radical political explanations of their common situation.[11]

Engels noted that agricultural laborers were more susceptible to revolutionary agitation than other strata of the rural population in 1848:

> Soon after the appearance of the agricultural proletariat the old patriarchal relationships began to break down in the countryside—as they were already breaking down in the urban factories . . . . Thus, what was once the most stable working class group has now been drawn into the revolutionary movement. The very fact that the relationship between masters and men had so long been a stable one on the land has made it all the more difficult for the modern farm laborer to shoulder the burden that he has to bear. . . . In this way the working-class movement is spreading to remote and stable agricultural districts which from the point of view of the new ideas have long been dead.[12]

And a modern student of revolution, Adam Ulam, has argued that "one of the most potent spurs to revolutionary feeling is the loss of 'property'—hence, status—which the peasant or small craftsman experiences in becoming a proletarian."[13]

Some recent research in several countries supports the ob-

[11] The landowner has recognized for some time the social differences among the peasantry and their possible political consequences. In 1936 Jaime Larrain spoke to the Executive Council of the National Association of Farmers of "the basic idea in this problem of a (minimum) wage for rural workers is the profound division that exists . . . between he who is linked to the soil that he works and he who could be an industrial or mining worker." *El Campesino*, LXVIII, No. 1 (Jan. 1936), 39.

[12] Friedrich Engels, *The Condition of the Working Class in England* (Oxford: Blackwell, 1958), pp. 297–303.

[13] Adam B. Ulam, *The Unfinished Revolution* (New York: Random House, 1960), p. 69.

servation that agricultural workers are more likely than other peasants to support the political left. In Cuba, for instance, the agricultural workers in the sugar industry were a major sector of the social base of the Communists, and have also been a major base of the revolution itself. In France and Italy, survey research has found that the agricultural workers, along with the urban workers, have been more likely than persons in other strata to support the Communists and Left-Socialists. In Peru and Venezuela the APRA and *Acción Democrática*, in their early and most combative attempts to organize the peasantry, when their slogans still had revolutionary significance, apparently secured (and have managed to retain) their greatest support among the "agricultural workers of the more modern enterprises, and much less among other peasant strata." Thus, from what we know of the circumstances of the agricultural proletariat in Chile, as well as from what some comparative research has shown, we should expect agricultural wage laborers to be more likely than other peasants to vote for the FRAP.[14]

FINDINGS

Ecological analysis of election results allows us to see whether there is a systematic relationship between the concentration of peasant strata and voting patterns. That is, if my hypothesis that the agricultural proletariat is the major rural base of the FRAP is correct, then the greater the proportion of agricultural wage-workers in a municipality, the greater the likelihood of a high vote for Salvador Allende, the FRAP presidential candidate. In order to most closely approximate a situation in which the proportion of given types of peasants in the agricultural labor force of a municipality represent their relative numbers in the municipality as a whole, I have included in this analysis only agricultural municipalities—de-

[14] Zeitlin, *Revolutionary Politics and the Cuban Working Class*, chap. 6; Richard Hamilton, *Affluence and the French Worker: The Fourth Republic Experience* (Princeton, N.J.: Princeton University Press, 1967), chap. 3; Anibal Quijano, "Los movimientos campesinos contemporaneos latinoamericanos" (mimeograph, 1966).

fined as those in which 50 percent or more of the economically active population are employed in agriculture.[15] The relationship that might exist between the vote and the class composition of the peasants would be obscured in municipalities where peasants are not a major proportion of the population.

As Table 43 shows, in 1958 there was a tendency toward a relationship between the proportion of agricultural wage laborers and the vote for Allende. By 1964, however, the relationship had become far stronger and almost entirely linear. Thus, 71 percent of the municipalities in which 40 percent or more of the agricultural labor force were wage laborers gave Allende a "high" vote in 1964 compared to only 41 percent of the municipalities in which under 15 percent were wage laborers. The lower the proportion of agricultural wage laborers in a municipality, the more likely that Allende received a "low" proportion of the vote.

So it would seem that the agricultural proletariat is the FRAP's major social base in the countryside, and that its support for the FRAP grew considerably from 1958 to 1964. This would seem to indicate that though the Left has gained access to the peasantry as a whole, its voting strength has increased on class lines within the peasantry. The FRAP's program is most supported by the peasant stratum conforming most closely to the classical Marxian model—that constituted of those "who have nothing to lose," the propertyless proletariat of the countryside.

The Chilean Left, it should be pointed out, is quite aware of this. In 1960 Luís Corvalán, General Secretary of the Chilean Communist Party, noted that the CP's strength in particular and that of the FRAP in general had recently grown significantly among the peasants. This was indicated not only by the 1958 election results but also by the new members the CP was recruiting. "No less than 20 percent of our fighters," he said, "are campesinos; in the agricultural provinces this

[15] Calculated from figures in *Censo de Población* (Santiago, Chile: Dirección de Estadistíca y Censos de la República de Chile, 1960). The original data is on file in the offices of the Dirección and is available to the public. The communal distributions, in percentages, are in Mattelart.

TABLE 43

THE AGRICULTURAL PROLETARIAT AND THE RURAL MALE VOTE FOR ALLENDE[a]

Proportion of Wage-Laborers in Municipality's Agricultural Labor Force[b]	Proportion of Municipalities with "High" Allende Vote[c]			Proportion of Municipalities with "Low" Allende Vote[d]		
	1958 (percent)	1964 (percent)	Number of Municipalities	1958 (percent)	1964 (percent)	Number of Municipalities
40 plus	44	71	48	8	0	48
35–39	36	68	22	18	0	22
30–34	58	68	19	26	5	19
25–29	32	58	19	16	5	19
20–24	40	55	20	30	10	20
15–19	22	44	9	56	11	9
Under 15	27	41	51	39	20	51

[a] Only municipalities in which 50 percent or more of the economically active population are employed in agriculture are included in this and the following tables. Only the male vote for Allende is included so as to avoid problems of analysis posed by the female vote, and so that differences between different types of municipalities are not obscured by the female vote.

[b] Percentages were calculated from raw data presented in the most recent agricultural census available during my research: Servicio Nacional de Estadística y Censos, *III Censo Nacional Agrícola Ganadero* (Santiago: Republica de Chile, 1955), Tomos 1–5, "Obreros, Peones y Afuerinos," Cuadro No. 13. Seven municipalities on which no labor-force data were available are excluded from this table.

[c] "High" Allende vote is defined as 30 percent (the national average) and over in the municipality in 1958, and 40 percent (the national average) and over in 1964.

[d] "Low" Allende vote is defined as under 20 percent in 1958, and under 24 percent in 1964.

percentage rises to around 50." He pointed to the agricultural proletariat as the specific target of the CP's organizational work: "It is necessary," he said, "to know whom to support to the greatest extent. Of all the rural sectors, the agricultural laborers are, naturally, the most determined, especially the free laborers, those from the outside, who receive their payment in cash, have no other ties to the fundo and work only irregularly."[16] A year after the 1964 presidential elections, the major leader of the Socialist-Communist *Federación de Campesinos y Indígenas*, José Campusano, commented: "We say that the awakening of the peasants has not been capitalized on sufficiently by we communists, because we have followed the same routine methods of leadership and, principally, because of our failure to understand the revolutionary value of the agricultural worker, who in increasing numbers alternate life in the countryside with life in industry, and whom we have confused with the peasant proprietor, who has a different mentality."[17]

PEASANT PROPRIETORS

Somewhat over half of Chile's agricultural economically active population are legally proprietors. Of these, about seven or eight in ten are family-plot and sub-family-plot peasant smallholders.[18] They generally live on and farm their own land. Some smallholders own property communally, for example the so-called Indian communes (*Comunidades Indígenas*) and the communities consisting of common heirs to a single property that remains undivided. But even where land is legally "held communally" the communities are internally stratified, especially between the almost landless (or those who have little access to the land) at the bottom, and

16 Luís Corvalán, *Cosas Nuevas en el Campo* (Santiago: Imprenta lautaro, 1960) trans. T. Lynn Smith (ed.), in *Agrarian Reform in Latin America* (New York: Knopf, 1965), p. 142.

17 "La tierra para los que la trabajan," p. 10.

18 Calculated from figures presented in CIDA, *Chile: Tenencia de la tierra*, Table B–14, p. 294. This table is based on calculations—and educated guesses by Barraclough—from data in the 1955 agricultural census.

those at the top whose landholdings regularly require them to employ others.[19] Some independent proprietors may be "family farmers" who are thoroughly integrated, as small entrepreneurs, into the market. Others may barely raise enough for themselves.

Peasant-smallholder communities tend to be characterized by traditionalism both in social relations and in employment of technology. Experimentation with new technology usually is impeded by a great concern for security, and a fear that technological changes might upset the "precarious balance of social relations" established in the community. Moreover, these communities, often isolated from the larger society even when near towns and cities, tend to be "ruled" from within by a combination of the more well-off smallholders and the terratenientes, merchants, and political officials of the area with whom the more well-off smallholders identify. The welfare of the smallholders' community usually depends on their staying in the good graces of the local officials, who themselves serve the town's merchants and the large and middle landowners.

The more dispersed and isolated from contact with other peasants or urban centers such communities are, the more dependent they are on the local patron and on the leadership of the more propertied among them. In general, peasant smallholders tend to be extremely property-conscious, to view their security as bound up completely with their parcel of land, and their future with securing more land. Not only are their communities internally stratified between propertied and nearly propertyless, but the poorer members, isolated from contact with other poor peasant proprietors elsewhere in the country, have little conception of their common situation, or of their common interests as opposed to the interests of the terratenientes. The communities' members are in constant economic competition with each other, which tends, "mitigated by the obligations of kinship," to keep them apart.

[19] Andrew Pearse, "Agrarian-Change Trends in Latin America" (Santiago, Chile: ICIRA, 1966), p. 24.

It is therefore difficult for them to organize even to defend themselves against the large landholders, let alone to unite with small-holders elsewhere, with whom they tend to be even more fiercely in competition. And since they are very concerned with the preservation of "good" relations with the local powers-that-be outside the community, they are likely to discourage any innovations that might jeopardize these relations. Where a small-holders' community is not a kinship unit bound by common inheritance of land, but consists simply of a collection of families of individual proprietors with extremely tenuous and irregular relations between them, the factors that keep them atomized are likely to be even more accentuated.

Those small-holders who sell most of their production regularly on the market and calculate their income in terms of profits and losses (about forty percent of the small-holders) tend to consider themselves part of the propertied classes; they identify with the landowning class, and view the subsistence and quasi-subsistence peasant with disdain. Any conception of common interests these farmers have is a conception of interests in common with other agricultural entrepreneurs on their social and economic level, rather than an identification with the peasantry, from whom they may be separated ethnically as well as socially. Under certain conditions, of course, family farmers have become the base of agrarian radicalism, even "agrarian socialism"; but these conditions have not been present in Chile.[20]

The agricultural proprietors as a whole tend, in any case, not to support the Left in Chile today, as Table 44 shows. The higher the proportion of agricultural proprietors in a municipality's labor force the less likely it was to give Allende a "high" vote, and vice versa. The relationship between the structure of a municipality's agrarian labor force and the vote for Allende also became clearer from 1958 to 1964. This, of course, is hardly surprising, considering the relationship

20 See Seymour Martin Lipset, *Agrarian Socialism* (Berkeley, Calif., University of California Press, 1950).

between the proletarianization of agricultural municipalities and the vote for Allende that we found earlier. Table 44 shows pretty much the same relationship Table 43 does, looking at the propertied in the municipalities rather than at the propertyless.

Since the land-owning peasants were generally opposed to the FRAP's candidate, we may safely conclude that the wage laborers—the propertyless agricultural proletariat—form the FRAP's major social base in the countryside. It should be emphasized, however, that the base is growing: whatever the type of agricultural municipality, the likelihood that Allende would receive a "high" vote became greater between 1958 and 1964. In those years, the *Frapistas* clearly gained support among the peasantry in general.

The data tend to confirm my hypothesis that modernization undermines traditional values and creates a mass that is ripe for politicization. The class structure, especially property relations, tends to play an important role in determining the direction of the mass's political activity. The effect of modernizing forces on a rural class structure tends to favor the development of radical politics. The lack of dynamic new economic enterprises to harness the new social forces provides energy for radical political activity, especially among the concentrated landless proletariat. The spread of radical political attitudes from organized working-class centers seems to be an important factor in this process of politicization, both in the formation of interest-articulating groups and in the promotion of political activity.

ORGANIZED WORKING-CLASS POLITICS

In Chile both the organized trade-union movement and the insurgent political parties originated in the northern areas of Tarapacá and Antofagasta, where by 1885 forty percent of the labor force worked in the mines. Soon after the middle of the last century, large-scale social conflicts rivaling similar outbreaks in Europe were occurring with increasing frequency and intensity. The northern nitrate city of Iquique and the

TABLE 44

AGRICULTURAL PROPRIETORS AND THE RURAL MALE VOTE FOR ALLENDE[a]

Proportion of Proprietors in Municipality's Agricultural Labor Force[b]	Proportion of Municipalities With "High" Allende Vote			Proportion of Municipalities With "Low" Allende Vote		
	1958 (percent)	1964 (percent)	Number of Municipalities	1958 (percent)	1964 (percent)	Number of Municipalities
70 plus	26	38	42	36	19	42
50–69	35	52	29	38	10	29
30–49	28	57	46	30	7	46
Under 30	51	75	71	10	1	71

[a] See relevant notes to Table 43.

[b] See Servicio Nacional, *III Censo Nacional Agrícola Ganadero*, Table 60, note *c*, "Patrones y familiares que trabajan en las explotaciones," Cuadro No. 10.

southern coal-mining area of Lota were frequently the scenes of violent struggles in which hundreds and sometimes thousands of workers were killed.[21] The first general strike started in Iquique in 1890 and spread throughout the country. Notwithstanding the violent reaction of the public authorities, labor organizations began to emerge, based predominantly in the nitrate mines of the north. The Chilean Workers Federation, founded in 1908 as a mutual-aid society by the Conservatives, by 1917 became a militant industrial trade union that two years later called for the abolition of capitalism. Between 1911 and 1920 there were 293 strikes, involving 150,000 workers. In 1919 the Chilean Workers Federation (FOCH) affiliated with the Red Trade Union Federation under the leadership of the dynamic Emílio Recabarren. The FOCH, the largest national union, had 136,000 members, of which 10,000 were coal miners and 40,000 nitrate miners—miners accounting for almost 37 percent of all union members. Of all industries, only in the mines were a majority of the workers organized. In 1906 the first working-class Socialist leader, Recabarren, was elected from a mining area, although he was not allowed to take office. It was the miners that provided a base for the Socialist party. Although the Socialist party condemned both the Second and Third Internationals, it avowed its allegiance to Marxism and the establishment of a government of organized workers.

Statistics from the last relatively free election before the ten-year ban of the Communist party (1948–1958) show just how radical the miners were at that time. In the municipal elections of 1947, the Communists received 71 percent of the coal miners' vote, 63 percent of the nitrate miners', and 50 percent of the copper workers', though nationally they received only about 18 percent of the vote.[22] The eleven mu-

[21] Over one-third of all the strikes and popular demonstrations occurring in the period between 1851–1878 involved miners. Ramirez Necochea, pp. 133–134. One of the worst massacres in labor history occurred at that time, when 10,000 nitrate miners marching in Iquique were machine-gunned and 2,000 were killed. César Jobét, p. 138.

[22] Cruz Coke, pp. 81–82.

nicipalities shown in Table 45 (about 5 percent of the municipalities in the country) accounted for 20 percent of the total national Communist vote. The miners are more committed to radical social change and to political radicalism than any other social group in Chile. Their political radicalism, and their high propensity to strike (common to miners all over the world) is due to the nature of their "occupational community."[23] Since miners are usually concentrated together in relative physical and social isolation from the influences of the dominant social groups in a society, they tend to develop a very closely knit social organization with a great deal of interaction between individuals.

Miners and Peasants: The Diffusion Process

In Chile, large-scale industrial and especially mining development led to contact between the industrial workers and the agricultural labor force that in turn led to the growth of social and political consciousness among the peasants. Historically, the landowners had isolated the inquilinos from the urban working class, and had prohibited them from organizing as a group. By restricting their relations to himself, the patron made it difficult for the inquilinos to develop any political awareness. When the number of urban workers grew

TABLE 45

COMMUNIST SUPPORT IN MINING CENTERS (1947)
(percent of votes)

Copper-Mining Areas		Nitrate-Mining Areas		Coal-Mining Areas	
Chuquicamata	68	Iquique	34	Coronel	68
Potrerillos	47	Pozo Almonte	70	Lota	83
Sewell	50	Lagunas	64	Curanilahue	63
		Toco	79		
		Pedro de Valdivia	72		

[23] Seymour Martin Lipset, *Political Man* (Garden City, N.Y.: Doubleday, 1963), pp. 242–246. See also Clark Kerr and Abraham Siegel, "The Interindustry Propensity to Strike—An International Comparison" in Arthur Kornhauser, Robert Dubin, and Arthur Ross (eds.), *Industrial Conflict* (New York: McGraw-Hill, 1954), pp. 200–201.

enormously after World War I, strikes spread to rural districts for the first time in Chile's history. The miners led this early attempt at rural organization. In 1919, an abortive attempt was made to organize the inquilinos into a nationwide federation in the Cometa region of the Aconcagua Valley, "the intention being to federate the inquilinos with an organization of miners."[24] In the 1930s, a broad, militant, peasant-union movement developed, supported by sectors of the urban working class, but it was ended by state repression and the electoral strategy adopted by the leftist parties during the Popular Front.[25]

In recent years the closed system of the large farms has begun to open because of growing commercial-capitalistic economic and social relations and because political organization, trade unions, and a national communications network have been able to undermine the information monopoly of the large landowners.

FINDINGS

An ecological analysis of electoral results may determine whether or not there is a relationship between the nearness of rural municipalities to mining municipalities and voting patterns.[26] If my hypothesis is correct, the mining municipalities, as centers of radical political organization, should have the highest vote for Allende. As for municipalities contiguous to mining municipalities, the more mining municipalities they are contiguous to, the more "high" votes for Allende, the FRAP presidential candidate, they should have. Conversely, municipalities that are neither mining nor contiguous to mining municipalities should have the lowest proportion of "high" votes for Allende.

[24] *El Agricultor*, May 1920, p. 113, cited in McBride, p. 166.

[25] Luís Vitale, *História del movimiento obrero*, p. 88.

[26] Mining municipalities are defined as those in which at least 500 individuals and 50% or more of the EAP are miners. "Satellites" are municipalities contiguous to mining municipalities. Each of the 296 municipalities in the country was located on a map in Mattelart. The number of mining municipalities that each municipality was a "satellite" of ranged from one to four.

In 1958, as Table 46 shows, mining municipalities and municipalities contiguous to them (their "satellites") strongly supported Allende. He received the largest percentage of "high" votes (30 percent or more of the male electorate) in mining municipalities. Ninety-three percent of the mining municipalities gave Allende a "high" vote, as did 75 percent of municipalities contiguous to two to four mining municipalities, and 64 percent of municipalities contiguous to one mining municipality. Areas that were neither mining nor mining satellites had the lowest percentage of "high" Allende municipalities. More mining municipalities gave Allende a "high" vote than any other kind of municipality in Chile. Contrariwise, the great majority of municipalities that were neither satellites nor mining centers gave Allende a "low" vote. The 1964 elections showed the same pattern (see Table 47). Seventeen percent of the non-mining, non-satellite municipalities gave Allende a "low" vote, as did 4 percent of the satellites of one mining municipality. Among the satellites of two to four mining municipalities and the mining municipalities themselves there was not a single municipality with a "low" Allende vote. Thus it seems evident that the mining municipalities are national working-class centers of FRAP political power, that municipalities adjoining mining areas

TABLE 46

MINING SATELLITES AND THE 1958 NATIONAL MALE VOTE FOR ALLENDE[a]

Type of Municipality	Allende Vote		
	"High" (percent)	"Low" (percent)	Number of Municipalities
Neither "satellite" nor mining municipality	35	41	220
"Satellite" of one mining municipality	64	20	25
"Satellite" of two to four mining municipalities	75	10	12
Mining municipalities	93	3	31

[a] See relevant notes to Table 43.

are more likely to support the FRAP than those not adjoining mining areas, and that the more mining municipalities a "satellite" municipality adjoins, the more likely it is to support the FRAP. The findings tend to confirm my hypotheses about the importance of mining areas as centers of leftist political organization, and about the development of Chilean radical politics.

The high degree of leftist political consciousness in the mining areas of Chile was indicated by the results of trade-union elections held during a military occupation of the copper-mining area in April 1966, shortly after many miners had been shot when the army was used to break a strike. *El Mercúrio*, the anti-Communist conservative daily, ran an editorial before the election that said: "the election of union officers that will take place in El Salvador, Potrerillos, and Barquito will be realized in an atmosphere of liberty adequate for the workers to express their preferences without the shadow of government pressure over the voters or candidates. These acts are of considerable importance because they will demonstrate what the spontaneous will of the workers really is when they do not feel menaced or intimidated by agitators. . . . Now the workers can take advantage of the new climate in the mines in order to form union committees that serve

TABLE 47

MINING SATELLITES AND THE 1964 NATIONAL MALE VOTE FOR ALLENDE[a]

Type of Municipality	Allende Vote		
	"High" (percent)	"Low" (percent)	Number of Municipalities
Neither satellite nor mining municipality	55	17	220
Satellite of one mining municipality	76	4	25
Satellite of two to four mining municipalities	90	0	12
Mining municipalities	93	0	31

[a] See relevant notes to Table 43.

their interests rather than subordinating themselves to partisan politics." The "spontaneous will of the workers" resulted in an overwhelming victory for the FRAP candidates, even though the PDC government supervised the elections.[27]

In the 1958 and 1964 elections the agricultural municipalities closest to mining centers have the greatest proportion of "high" Allende votes. In 1958 only 31 percent of the non-mining, non-satellite rural municipalities gave Allende a "high" vote compared to 58 percent, 82 percent, and 100 percent for the satellite and rural-mining municipalities. Moreover, the proportion of "high" Allende votes in rural municipalities increases directly with the increase in the number of adjoining mining municipalities. In 1958, 58 percent of satellites of one mining municipality and 82 percent of satellites of two to four mining municipalities gave Allende a "high" vote. In 1964, 74 percent of the "single satellites" and 91 percent of the "multiple satellites" gave Allende a "high" vote. Rural non-satellite non-mining municipalities had the highest proportion of "low" Allende votes. In both elections

TABLE 48

MINING SATELLITES AND THE 1958 AND 1964 RURAL MALE VOTE FOR ALLENDE[a]

Type of Agricultural Municipality	Allende Vote (percent) 1958 "High"	1964 "High"	(percent) 1958 "Low"	1964 "Low"	Number of Municipalities
Neither satellite nor mining municipality	31	31	27	11	162
Satellite of one mining municipality	58	74	16	0	19
Satellite of two to four mining municipalities	82	91	9	0	11
Mining municipalities	100	100	0	0	3

[a] See relevant notes to Table 43.

27 *El Mercúrio*, Apr. 15, 1966, p. 3. The FRAP's candidates won 16,227 votes, the Radical party's 3,287, and the Christian Democrats' 3,263. Seven of the ten new union officers were FRAP candidates; they replaced three Christian Democrats. *Ultima Hora*, Apr. 19, 1966, p. 2.

the data indicate a strong and persistent political relationship of the proximity of mining areas, which are the centers of radical political organization, to rural municipalities.[28] The closer a rural municipality is to a mining center, the more radical it is. The class-conscious miners, with their strong political organization, appear to be agents for the diffusion of radical political attitudes in the countryside. The growth and diffusion of radical politics seems to have occurred in three steps: the growth of working-class consciousness, fostered by the social conditions of the mining industry; the creation of working-class political organizations; and the spread of radical political ideas from radical centers to nearby oppressed groups.

In Chile, democratic organizations like trade unions originated in the mining areas, and it was there that workers first began to participate in social movements in defense of democratic political and social rights for the lower class. Though only 5 percent of the active labor force are miners, miners account for almost a quarter of the unionized workers. It is in the middle-class-influenced urban centers that the unions are weak. The miners are isolated only geographically; they consciously work to spread radical political ideas throughout the rural areas near them. *El Siglo*, the Communist daily, recently reported that "the two hundred delegates attending the Eighth National Congress of the Miners' Federation . . . [have] adopted a resolution to lend throughout the country, the most active class solidarity to the workers in the countryside

[28] It seems that mining centers also influence non-agricultural satellites, as the following table shows:

Non-agricultural municipalities	*Percent "high" Allende vote 1958*	*1964*	*No.*
Neither "satellite" nor mining municipalities	45	67	(58)
"Satellites"	73	93	(15)
Mining municipalities	93	93	(28)

The miners' political influence apparently radiates out to other industrial workers, and perhaps to non-industrial workers as well. As a cohesive working-class politicized group the miners have great influence on the working class and the peasantry. This may explain why "class politics" have emerged more clearly in Chile than in Latin countries with large strata of rural and urban poor but lacking any cohesive, organized, radical working-class centers.

in the struggles they are realizing in defense of their rights and for the conquest of a true Agrarian Reform. A few days ago the powerful [nitrate-mining] unions of Maria Elena, Pedro de Valdivia and Mantos Blancos in the province of Antofagasta adopted a similar resolution."[29] The politicization of the peasantry by the miners may be a "natural process," but it is also a conscious effort. The Communist leader Luís Corvalán emphasized the importance of this interaction between class-conscious workers and the peasantry:

> The political and cultural ties between the city and the country, between the proletariat and the campesinos, have developed in many ways. The children of campesinos who go to work in industry learn many things which they soon teach to their relatives and friends who have remained on the hacienda or in the village and with whom they maintain contacts. Thousands of inquilinos . . . and small owners have become laborers in the construction of hydroelectric plants, roads, reservoirs and canals, or have been incorporated into the infant industries of sugar or lumber and live alongside numerous members of the proletariat who come from the cities. Furthermore, the crises and the repressive measures employed against the urban laboring class have caused many of the workers in the mines and factories to return to the country. Throughout Chile, on the haciendas and in the villages, we have seen many laborers, including some who were union leaders in the nitrate coal and copper [industries]. It follows that the political work of the popular parties and especially of us Communists should also figure among the principal elements that have influenced and are influencing the creation of a new social conscience in the countryside.[30]

Urbanization and industrialization uproots some of the peasantry, who then go into the labor force. These peasants who have been radicalized in the unions carry the new ideas of struggle and solidarity to their former rural associates. As long as the leftist political parties can organize and politicize these newly industrialized workers, they will have an effective carrier of leftism to the countryside.

29 *El Siglo*, Feb. 20, 1966, p. 10.

30 Luís Corvalán, "The Communists' Tactics Relative to Agrarian Reform in Chile," in T. Lynn Smith, ed., *Agrarian Reform in Latin America* (New York: Knopf, 1965), p. 139.

In mining municipalities or their "satellites," political differences based on class position among the peasants tend to disappear. In non-mining, non-satellite municipalities, voting patterns continue to vary with class position. Whatever the structure of the agricultural labor force (or class composition of the peasantry), rural mining satellites are more likely to give Allende a "high" vote than non-mining, non-satellite municipalities. Mining satellites where 50 percent of the labor force are proprietors and those where less than 50 percent of the labor force are proprietors all support Allende—in 1964, 91 and 90 percent of these satellites gave him a "high" vote. But voting does vary with class in the non-mining satellites. Only 36 percent of the non-satellite rural municipalities where 50 percent or more of the labor force are proprietors gave Allende a "high" vote, as opposed to 68 percent of the non-satellite rural municipalities with less than 50 percent proprietors. Clearly, the political influence of the mining centers is so great that in mining and satellite areas the impact of class differences on the peasant vote (that is, differences between zones of high and low concentration of independent farmers) tends to disappear. The mining and adjoining areas develop a distinct radical, socialist, political culture that tends to eliminate the importance of class differences. It seems that political organization can unite disparate groups despite so-

TABLE 49

THE RELATIONSHIP BETWEEN MINING SATELLITES, AGRICULTURAL PROPRIETORS, AND THE 1964 RURAL MALE VOTE FOR ALLENDE

Type of Agricultural Municipality	Proprietors in Labor Force (percent)			
	70 plus	50–69	30–49	Under 30
	Municipalities with "High" Allende Vote[a] (percent)			
Neither satellites nor mining municipalities	29 (35)	46 (24)	51 (37)	80 (54)
Mining satellites	83 (6)	100 (3)	87 (8)	90 (10)
Mining municipalities	100 (1)	100 (1)	0	100 (1)

[a] Numbers in parentheses refer to number of municipalities.

cial differences so long as the disparate groups are exploited. And the Chilean Left is making a conscious effort to organize these groups. *El Siglo* writes: "All the workers of all the unions should unite with the peasants, wherever the unions are near agricultural properties in which the peasants are initiating struggles in defense of their interests. The miners' union must be there to help the organization of the peasant unions. All our fellow miners must be there to bring all their moral and material support to the peasants who are struggling for possession of the land."[31] And Corvalán says: "The forms of organization should be in accord with the wishes of the campesinos themselves; but we Communists believe that the best form of organization is that of the independent union, with headquarters in the village, in which one grouped the workers from various fundos and all of the modest sectors of the rural population from the wage hand to the small proprietor, including the sharecropper, the poor campesino, etc."[32] Independent organizations that include all of the "modest sectors" could be a key factor in explaining why the differences between laborers and small proprietors disappear in areas adjoining mining centers.

SUMMARY

The miners' organizational skills and political competence, the proximity of the miners to the countryside, the fact that both miners and peasants are exploited, and the FRAP's determination to spread its ideology seem to be the factors that have enabled the miners to politicize and radicalize the Chilean countryside. Lipset's point about the role individuals with special skills can play in leading oppressed classes applies to organized working-class groups like the Chilean miners. Lipset noted that ". . . social position can contribute to political awareness . . . by facilitating contacts with others who have more or less identical problems."[33]

Political differentiation in the countryside occurs along

31 *El Siglo*, Feb. 20, 1966, p. 10.
32 Corvalán, *op. cit.*, p. 141.
33 Lipset, *Political Man*, p. 199.

class lines; radicalism is communicated within the peasantry mostly to wage workers, not property-holding peasants. This agrees with the thesis that a concentrated "isolated mass" of workers is more susceptible to radical organization. However, as we have seen, strong political organization can overcome class differences: isolated peasant proprietors and concentrated laborers show an equally high susceptibility to radicalism. Political men, such as the Chilean miners, who make an effort to organize or influence the relatively isolated and atomized peasant proprietors, can unite them with the rural laborers. By providing leadership and an agrarian-reform ideology, these politicized miners provide a form of communication and sharing of experience that is necessary to create a radical constituency. The proximity of the miners to the peasants make legal, political, and economic resources available to the peasants, thus demonstrating the power of organization and of struggle in defense of their common interests against the landowners.

The prospects for radical change in Chile are therefore not limited by the number of miners, nor by the dispersed and isolated nature of the rural work force, but by the degree to which the miners manage to transform the peasants into an effective, self-conscious social force.

Political choice and political organization are important variables in determining the direction of social change and economic development. The peasantry, the most undifferentiated (and in this sense "backward") political group, rapidly becomes under the impact of modernizing forces a potential ally of the most radical sector of the urban proletariat. Retarded modernization, a product of uneven social and economic development, produces a peasantry that, when it becomes "politicized," takes on the latest attitudes without going through the preceding stages.

Certainly, any quantitative analysis tends to overemphasize structural distinctions among the peasantry; in reality the interrelations between the rural poor, whatever tenure status may technically be theirs, are great. The children of small

proprietors, especially those of the near-landless ones, may themselves work as wage laborers, even while living with their parents and contributing their wages toward the support of the family. Brothers, cousins, friends, all may be involved in quite different types of work and tenure relations on the land—or may be working in the mines or factories. There is a constant exchange of information, experiences, and ideas between them, and, to the extent to which this occurs, their status as wage laborers or peasant proprietors tends to become less important in the formation of their political views. A "political culture" can develop that unites the rural poor as a whole.

The "education" received by peasants or their friends or relatives actually working in the mines, as well as the education that the organization and struggles of the miners provides by example, serves to inculcate in the peasantry the political values of the miners themselves. And the miners in Chile—whether copper, coal, nitrate, or iron miners—have generally been politically radical, and their unions have been led by Communists or Socialists.

The role of consciousness and choice in determining social processes and establishing new social relations and institutions has frequently been underestimated. Specifically, the leadership of the Left in Chile is aware that the agricultural wage laborers are more likely to support the Left than are the peasant proprietors, who have what a major Communist peasant leader called a "different mentality"; the *Frapistas* thus are likely to choose the wage laborers in the countryside as organizational targets, and therefore create the relationship between proletarianization and radicalism. Much of the political radicalism of the agricultural proletariat in Chile (and in France, Italy, or Cuba, to name a few other examples) may have resulted not only from "natural" social processes that make these peasants more likely than others to respond to radical agitation, but because they were selected as organizational and political *targets*. Straightforward practical considerations about the living and working conditions of the

agricultural wage-laborers should also encourage their being selected as organizational targets. The only link between the wage laborers and the patron is money. It is clearly to their interest to increase their wages, an interest that is more easily perceived and more easily defended than the conflicting interests that small holders have with large landowners. Wage workers have a powerful weapon—the strike—that is not available to the small holder. It is a weapon that, especially "in the harvest period, when the fear of a stoppage, a delay of two or three days," as Corvalán puts it, "makes the large landowner tremble."[34] Access to wage laborers is also often easier since they do not live within the confines of the fundos, but in communities that often form "class isolates," and are easier to penetrate, in any case, than the fundos themselves. The fact that their wage-laborers' work tends to bring them together in relatively large numbers also facilitates their organization —and their selection as organizational targets.

However, if organizers choose to concentrate their efforts on organizing isolated peasant proprietors, they can help create a leadership and an ideology that is anti-paternalistic. Most important, by intervening in the courts on the side of the peasants, by using their strength among nearby industrial workers and their city-based political influence to protect the peasants from excessive abuses by the patron, the organizers may be able to concretely aid the peasants in their daily lives, demonstrating the power of organization and of struggle in the defense of their common interests against the landlords. The proximity of centers of organized working-class strength—such as the miners—to peasant communities can provide many of these "services" to the peasants.

The theoretical point is that the conscious participation of political actors in the social process, participation that is based on a theoretical cognizance of social reality and of the probable outcome of given courses of action realized in given social situations, may be the intervening variable between the objective conditions of existence of the peasantry and the de-

[34] Corvalán, *op. cit.*

velopment of their subjective responses to those conditions, namely, leftist political behavior. The active intervention of political actors in the social process, who can change the responses of the peasants to their conditions, in turn changes those conditions, causing feedback that may further the development of their political consciousness. A process of reciprocally interacting social "events" is thus set in motion, each of which may be the cause of another event, but all of which are conditioned by the set of social relations in which the process goes on. The result of this sort of dynamic interplay in the peasantry (or in any social stratum) is the development of political consciousness.

8
THE BUREAUCRACY: THE POLITICS OF INTEGRATION

Bureaucracies are often characterized as having "traditional" outlooks, but in the Chilean bureaucracy a fusion of modern and traditional values has taken place: the Chilean bureaucratic structure has adapted to a stagnant industrial society. Since the bureaucracy draws its members from almost all strata of the social structure, and since its political attitude is neither traditional nor modern, but a mixture of the two, the Chilean bureaucracy has served to stabilize the political system by moderating political antagonisms. While parties and personalities in government have changed, and interest-groups have periodically intervened in politics, the bureaucracy has continued to be involved in political life for many decades. It has been the political anchor of the Chilean system, moderating the effects of frequent changes in government ministries, government coalitions, and party strength in the legislature.

Since the 1950s the Chilean economy has chronically been stagnant. Inflation has contributed its share of social and economic problems. One result has been the growth of political radicalism and the decline of traditional conservative and liberal political groups. Old-style coalition politics be-

tween pragmatic interest groups worked because the peasantry was excluded from political life. The sudden and massive intervention of organized peasant political organizations threatens to destroy the equilibrium of the present political system.

The present Chilean political situation demonstrates the inability of bargaining politics to cope with the problems of generating dynamic development. As modernization—that is, economic, industrial, and social development—increases, the peasantry and the lower classes become more and more politicized and the middle-class parties become more and more split, and are thus rendered incapable of directing society toward sustained and rapid economic growth and expansion of societal opportunities. This fracturing of the middle-class parties means that it is not the parliamentary system that handles social problems, but the bureaucracy. Because of its makeup and attitude, the bureaucracy has up to now done a good job of managing conflicts and ameliorating their impact on the polity.[1] If and when the bureaucracy itself becomes deeply divided over social issues, the basis of Chilean political stability will be seriously affected.

THE ROLE OF BUREAUCRACY IN DEVELOPMENT

There are at least two ways to look at bureaucracy in relationship to development. One is to examine the internal organization of the bureaucracy (its methods of selection, promotion, and so forth), in order to evaluate its ability to implement government policy. The other approach is to examine the bureaucrats' attitudes and values, their approach to political life and society, in order to find out how alienated from or integrated into society they are. This knowledge gives one a basis for estimating their ability to adapt to changes in society and their relationship to other social strata and to new social goals.

[1] Only Mexico's bureaucracy can match Chile's in terms of success in providing a stable political system and forestalling military coups.

The present bureaucracy in Chile is neither an impersonal tool of policy makers nor a politically involved personalistic organization; it combines features of both.[2] Like most hierarchical bodies in society, it contains members with different views on general ideology and specific issues. Position in the bureaucracy tends to be directly related to level of education (though high-level technicians tend to be better educated than top administrators). But a bureaucrat's position on issues tends to be related to the social stratum into which he was born. The bureaucracy may be organized rationally, as the relationship between position and education indicates, but social background still determines attitudes. The existence of a modicum of rationality in the bureaucracy is further weakened because promotion depends largely on political, familial, and personal "pull." The mixture of "politics" with rationality in the organization of the bureaucracy contrasts with the Weberian ideal model. In under-industrialized societies, where government is itself a major employer, politics becomes a means to personal wealth and social mobility. The existence of "pull," whether political or familial, shows that politicians distribute government jobs to satisfy family and political commitments. The needs of development call for a rational, impersonal organization capable of impartially applying regulations according to established rules, an organization in which promotion is based on merit. In Chile, these needs come into conflict with overriding political commitments. Bureaucracy can be considered as an instrument of policy, but the attitudes of the bureaucrats reflect the political structure.[3] However,

2 A recurrent theme in the analysis of modern bureaucracies is that they do not fit the Weberian model. Norton Long, for example, stresses the role of agencies in "building, maintaining and increasing political support." "Power and Administration," *Public Administration Review*, IX (Autumn 1949), 257–264. J. Leiper Freeman points to the importance of the bureaucracy's relations with small client groups as an important part of its activity. "The Bureaucracy in Pressure Politics," *Annals of the American Academy of Political and Social Science*, CCCXIX (Sept. 1958), 11–19.

3 Phillip Selznick, "A Theory of Organizational Commitments," in *Reader in Bureaucracy*, Robert Merton *et al.*, eds. (Glencoe, Ill.: Free Press, 1952), p. 196. Selznick has noted the effects the social character of personnel has on commitments. He writes: "The human tools of action come to an organization

the ill effects of pay-off through employment, familialism, the modern spoils system, and the traditional recruitment channel are limited by basic educational requirements, which appear to impose minimum standards for job aspirants.

Before evaluating the bureaucracy's performance as an agency for development, one must examine the orientation of two key strata: the administrative elite and the professionals. As individuals and as a stratum of society, the professional and technical elite has developed its own particular political views, though it may present its ideas in the trappings of pure science or professional advice. The alternatives and plans the professionals and technicians present are not drawn from a nonpolitical "scientific experience"; rather, their values and commitments influence the bureaucracy's choice of development plans.

About three out of four professionals (75 percent) and chief administrators (72 percent) identify with the middle class.[4] Almost similar percentages declare themselves to be in favor of social change, the professionals being somewhat more in favor (74 percent) than the administrators (67 percent). Spending on consumption (as measured by the incurring of debt) indicates that both groups have high demands for immediate satisfaction. The percentage of income spent on personal debts is moderately high or high for 78 percent of the professionals and 63 percent of the administrators; savings among these groups is very low. Only 16 percent of the professionals and 30 percent of the administrators save more than 10 percent of their income. In their class identity, their expressed support for social change, and in their pattern of consumption and savings the professionals and administrators resemble other Western white-collar groups. Both the traditional Latin middle class, which identified with the old aristocracy, and the

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shaped in special but systematic ways. Levels of aspiration and training, social ideals, class interest—these and similar factors will have molded the character of the personnel. This will make staff members resistant to demands which are inconsistent with their accustomed views and habits."

[4] See Appendix II for a discussion of the method by which data was collected.

early Western bourgeois, who was oriented toward saving, are absent. That the professionals and administrators tend to hold modern values is further indicated by their apparent openness to social change. However, despite their identification with the middle class, these groups do not tend to save or invest. The inheritance of Hispanic culture seems less influential than the modern environment in propelling the bureaucratic elite away from investment and toward consumption.

The administrators' commitments to social change was measured by the priority in which they ranked aspects of Chilean social life in need of change. Both the administrators and professionals rated broadening the educational base (65 percent, 61 percent), creating economic stability, and achieving full employment, in that order, as the key issues. Like their counterparts elsewhere, the professionals and administrative chiefs were oriented toward incremental changes within the structure of society. Eleven percent of the administrators and 16 percent of the professionals considered agrarian reform of prime importance; 17 percent and 12 percent, respectively, gave the housing problem a high ranking, despite the obvious visibility of both problems. The inclination of the elite is toward gradual change through economic stability and opening up the educational system; development plans with a larger perspective will likely meet resistance or only passive acceptance. A program of social change of a more dynamic type would conflict with the immediate commitments of this group and could be seriously hampered in its application.

Thus, the reforms supported by the elite for the campesinos are not the structural reforms advocated by CORA or INDAP (the government's agrarian-reform agencies) but incremental changes pursued by Radical-party governments. The new income and property taxes, the salary fix, and the sense of political impotence vis-à-vis the private economic elite are the bases of the bureaucratic elite's discontent with the present government. These grievances (both anti-popular and anti-economic elite), however, are translated into a mixed economy or collectivistic ideology that belies the bureaucrats' actual conserva-

tive preferences. There is a definite difference between the professionals and administrators, however, in their analysis of who is benefited by govenment policy. A much higher percentage of administrators tend to consider present policy "populist," while the professionals tend to be split, seeing it as representative of business groups and the lower classes. The administrators' identification of the government with the popular classes is, perhaps, a misperception of reality, for only slight changes have actually taken place in the countryside and the urban slums. This misperception may be a function of a generally conservative propensity.

Social development premised on structural change will find no support among these groups; economic development based on savings and abstinence from consumption will not coincide with their actual behavior. The national goal of dynamic socioeconomic development will not be worked for voluntarily by these groups, and the initiative for its introduction will not come from them. The goal will have to be imposed from outside, either by the government, a political party, or the other social strata. The extent of the professionals' and administrators' resistance will determine the mode and degree of persuasion and coercion that will have to be applied. The pattern of behavior that the professional and administrative elites set for the lower strata will be an equally important influence on development. The national effort necessary for dynamic industrialization (and higher productivity) to overcome the chronic stagnation of Chilean society will be hindered to the extent that the "models" of behavior projected by these elites are taken up by the lower strata of society. The higher status groups wield authority not only through the formal instruments of power but also by the prestige they enjoy; to the extent that government exhortations to sacrifice, work, and save are contradicted by the behavior of the leading sectors of society, these appeals will be ineffective.

In discussing social factors of strategic importance in economic development, José Echavarria Medina cites "economic commitment." He notes: "the desire for an improvement in

the level of living or consumer capacity may be unaccompanied by the parallel impulse to make the necessary effort to obtain it. . . . Economic development is possible at the cost of sacrifice . . . society must provide the real model worthy of imitation in the conduct of the leading groups."[5] In this sense the values of the professional and administrative elite affect development both directly (through policy-making) and indirectly (through their role as "opinion leaders"). The diffusion of new values would be most effective if the upper echelons of the bureaucracy adopted them; but there is little to indicate that the administrative elite is about to embark on a new set of attitudes or a new style of action.

Underlying this discussion of the bureaucracy is the assumption that modern economic and social development necessitates a rational bureaucracy; further, that a rational bureaucracy affects the nature of social change and in turn is affected by it. Schumpeter and Weber have correctly pointed out that rationalization of organization is a necessary component of industrialization. The type of bureaucracy that evolved in Western Europe, opposed to the personalistic and diffuse type of structure that had previously existed, seemed to them to offer the greatest efficiency in mobilizing and allocating resources.[6] In the countries of Western Europe, however, the bureaucracy developed with the industrial revolution; in Chile, it has emerged alongside a preindustrial structure that operates on familial and personal criteria.[7]

In Chile, as in other Latin countries, property ownership is

[5] José Echavarria Medina, "A Theoretical Model of Development Applicable to Latin America," in Echavarria Medina and de Vries, *Social Aspects of Economic Development* (Paris: UNESCO, 1963), pp. 21–49.

[6] Max Weber, "The Essentials of Bureaucratic Organization: An Ideal-type Construction" in Merton, p. 25. "Though by no means alone, the capitalistic system had undeniably played a major role in the development of bureaucracy . . . On the one hand, capitalism in its modern stage of development strongly tends to foster the development of bureaucracy, though both capitalism and bureaucracy have arisen from many different historical sources. Conversely, capitalism is the most rational economic basis for bureaucratic administration and enables it to develop in the most rational form, especially because, from a fiscal point of view, it supplies the necessary money resources."

[7] My discussion of the Chilean bureaucracy attempts to show the social, psychological, and institutional differences in the process of bureaucratization insofar as these can be attributed to the retarded breakdown of traditional

monopolized by small elites, and foreign firms control the major foreign-exchange earning sector. The major access to employment is thus not through property ownership but through government office, which also provides access to the "national" share of the earnings of foreign firms. The ideal neutral, efficient bureaucracy of committed professionals thus becomes in reality a political organization where status and advancement depend less on professional competence than on political pull. The inefficiency of the bureaucracy is a natural result of the structure and functioning of society, but it can in turn have serious effects on society, particularly on the developmental process. Riggs cited an International Bank mission report that attributed economic stagnation in pre-revolutionary Cuba to the bureaucracy's "tendency to freeze or rigidify economic relationship." Riggs went on to note: "This tendency is linked with the view that total economic resources are constant . . . . In administration this view is reflected in the quest for jobs, security and tenure as ends in themselves. Administration seems more concerned to protect and freeze status, relationships and privileges than to achieve organizational output goals."[8]

Modernization through the development of bureaucratic roles and commercial enterprises is characteristic of the dependent countries, and especially of Chile. In contrast, modernization occurred through industrialization in Europe, the US, and the USSR. But modernization of the former type within a "bargaining" political system based on incremental change tends to produce a sort of negative feedback that hinders further industrial development. David Apter notes:

> Reconciliation systems attempt to expand the modern sector of the stratification system by allocating resources on the basis of competitive bargaining between diverse groups. The result is that over-

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institutions. Related to this is the effect of the noncontemporaneous industrialization of different countries on the rise of their respective bureaucracies, a point that Bendix raises in his essay "Bureaucracy and the Problem of Power" in Merton, p. 134.

[8] Fred Riggs, *Administration in the Developing Countries* (Boston, Mass.: Houghton Mifflin, 1964). See also UNESCO, *Social Development of Latin America in the Post-War Period* (E/CN. 12/660 Apr. 15, 1964), pp. 81–122.

lapping caste, class and status conflicts persist, with traditionalist, accommodationist and innovative forces forming the basis of diversity. Such self-perpetuating conflicts lead to stagnation and political instability. Only if the modern sector in a reconciliation system can drastically expand educational and economic opportunities can it prevent power from being fractionalized among many competing accountability groups. Rarely can the reconciliation system prevent stagnation by diverting resources to the modernized sectors in order to provide sufficient and diverse opportunities through multiple patterns of recruitment to public and private roles . . . in addition, recruitment to the modernized sectors is likely to be less than open. Decision-makers . . . trying to prevent the fractionalization of power, recruit their friends and followers to the modernizing roles.[9]

As we shall see, Apter's description of stratification policy in a reconciliation system applies especially to the functioning and composition of the Chilean bureaucracy. As a unit of the bargaining system the bureaucracy enters into negotiations and transactions that protect its members—inflating incomes and government expenditure—and hence increases the obstacles to development.

Glaucio Soares, taking a historical perspective, refers to the bureaucracy's negative impact on economic development as a function of its being "premature." He argues that:

If increasing technology and labor productivity seem to be a sufficient condition for expanding the relative size of the middle class, it does not seem to be a necessary condition. Here we deal with the possibility of "premature" bureaucratization, which may not be based upon solid structural changes. Thus, a few countries which have enjoyed a favorable economic conjuncture during many years, on the basis of exports [Chile 1879–1914] . . . have been able to support a relatively large middle class. The decline of this favorable conjuncture represents the beginning of serious structural problems . . . . These countries now have a relatively large middle class whose values and tastes for goods which are not internally produced cannot be afforded. . . . This premature market for consumer goods may divert investment from basic structural aims. . . . The Argentine middle class has grown faster than . . . the country's technological and industrial development al-

[9] Apter, p. 136.

lows. . . . [The] growth of educational opportunities has not been followed by a corresponding growth in industrial jobs.[10]

The bureaucracy is an important influence on development in Chile because it has skills required for development; it has a good deal of control over the physical and financial resources necessary for development; and it is in a position to play a "pivotal role" because it has access to government resources and influence on various groups in society.[11] The Chilean bureaucracy has been mainly responsible for providing services, such as roads, transport, schools, and so forth, that form a necessary "infrastructure" for socioeconomic development. More important, the bureaucracy's policies and regulations—tariffs, multiple exchange-controls, and so forth—and the way they are administered affect the social and political climate for development. This is important since policies aimed at promoting industrialization can be and usually are rendered ineffectual by regulations that inhibit private or public entrepreneurial activity. The Chilean bureaucracy also plays an important entrepreneurial role, accounting for a high percentage of all investment.

A consideration of the structure and values of the bureaucracy is especially important with the coming to power of the Christian Democrats and their intention of carrying out a "revolution in liberty." Lipset, in discussing bureaucracy and social change, noted: "The political problem of the power and influence of a permanent civil service with its own goals and traditions . . . becomes crucial . . . when a new po-

[10] Glaucio Soares, "Economic Development and Political Radicalism" (unpublished Ph.D. dissertation, Department of Economics, Washington University, St. Louis, Mo., 1965), p. 79.

[11] In itself, skill is not necessarily an indicator or an expression of power. Bendix's criticism of Weber on this point is well taken. "It is difficult to conceive of a strictly irreplaceable group of sellers of managerial skill. It appears that the men of managerial skill are powerful not because their skill makes them irreplaceable but rather because and to the degree that their education and social derivation induces in them a common social philosophy. Thus, administrative autonomy is a matter not of skill but of 'derived power', i.e., of the power delegated to the administration through the organized representation of social groups." Bendix, "Bureaucracy and the Problem of Power," p. 126.

litical movement takes office and proposes to enact reforms that go beyond the traditional frame of reference of previous governmental activity or which upset the existing set of relations within the bureaucracy."[12]

The survey data seem to provide a good description of the internal variables that affect the bureaucracy itself, and of the external variables that condition its orientation toward society. The internal variables deal with the social composition, promotion criteria, authority structure, status, and social differentiation of the bureaucracy. The external variables include both evaluative variables (individuals' class identification, preferences for social change, policy choices, and ideological commitments) and perceptual variables (the different ideas about the nature of society held by different strata of the bureaucracy—that is, their ideas about the influence of institutions and classes).[13]

The public bureaucracy can be divided into six distinct strata based on authority, status and occupation.[14]

(1) The administrative elite: generally chiefs of departments and section chiefs—the top decision-makers.

(2) The professionals and technicians: highly specialized

[12] Lipset, "Bureaucracy and Social Change," in Merton, p. 221.

[13] One final point in discussing the bureaucracy: it must not be seen either as an autonomous structure apart from the social structure nor as identical with the social structure. Bureaucrats as members of a social class have a standard of living and style of life not very different from other strata of the middle class. At the same time, the bureaucracy performs a specific function, and has distinct powers over policy that require specific analysis apart from other areas of the social system. For a discussion of refinements of Marxist sociological analysis to deal with important changes in social structure, especially regarding "gradations" in class analysis, see Stanislaw Ossowski, *Class Structure in the Social Consciousness* (New York: Free Press, 1963). See also Franz Neumann, "Total Bureaucratization and the Powerless Individual," in Merton, p. 150.

[14] I define authority in terms of the number of subordinates commanded. Status is used in the sense in which Barnard speaks of "functional systems of status": "The ranks are vertically divided into lateral groups of different callings, trades, crafts, metiers, divisions of labor, specializations and professions. Functional status are unequal; low functional status to unskilled labor, high functional status to experts, professionals, etc. It is the presumption of capacities and limitations with necessary regard to the immediate concrete activities of the individual that is the essential feature of the systematic status." Chester Barnard, "The Functions of Status Systems," in Merton, p. 242.

individuals belonging to a specific profession; for example, doctors and engineers.

(3) Skilled and semi-professional office workers: public employees such as accountants, statisticians, and so forth.

(4) General office workers: secretaries, typists, and office-machine operators.

(5) Technical assistants, professional aides and specialized-services employees: nurses, maintenance employees, and laboratory assistants.

(6) Service and unskilled employees: night watchmen, cooks, washerwomen, and others serving the needs of the public sector.

In analyzing the bureaucracy's role in society and its internal structure, I will examine the following propositions:

(A) The bureaucracy is a stabilizing force in Chilean society, and its members tend to be "security-oriented" rather than structural innovators. The bureaucracy is an integral part of society, participating in decision-making and taking its share of benefits.

(B) The bureaucracy's role in society as both a self-interested political force and a neutral administrative one is matched by the fusion of traditional and modern values in its internal operations.

(C) The process of incremental change that characterizes Chilean development has shaped the bureaucracy's mode of functioning and outlook. The bureaucracy in turn, because it contains elements of modernity and traditionalism, moderates and stabilizes the social system.

(D) The overall effect of the fusion of traditional and modern values and institutions in Chilean culture is to produce a stable society, yet one that perpetuates "corporate occupational enclaves" from which broad sectors of the populace are excluded.

(E) In its mode of functioning and outlook the bureaucracy embodies the values of the dominant political culture in Chile, the fusion of modernity and tradition, stability and inequality, flexibility and moderation. In this sense of embodying the

dominant political culture, the bureaucracy is functionally equivalent in a bargaining political system to a militant party in a mobilization system.

INTERNAL STRUCTURE OF THE BUREAUCRACY

An analysis of the bureaucracy's internal organization should show the impact of the fusion of values on the bureaucracy's nature. An examination of its social composition and its criteria for promotion should show the specific sources that shape its membership, structure, and behavior.[15] But we must first discuss the structure of authority, the status of bureaucracy in the eyes of its own members, and the extent of social differentiation within the bureaucracy (as measured by salary scales and personal-property ownership). We will focus on the bureaucracy's formal structure and the mechanisms that operate within it. In dealing with the formal structure, we will analyze the relationships between education and rank; sexual, ethnic, and religious discrimination and access to office; and salary and authority. This will allow us to assess the degree of rationality and nonrationality in the bureaucracy, at least insofar as recruitment and selection of personnel are concerned. In dealing with the mechanisms that operate within the formal structure, we will analyze the necessary and sufficient conditions for advancement to higher positions, the channels for promotion, the perception of favoritism, and so forth. By comparing these analyses, we will test the "fusion model" and, hopefully, arrive at a proper understanding of the nature of the bureaucracy and its relationship to the polity.

Formal Structure

Sex. The recruitment and selection of personnel does not indicate exclusion based on sex. Looking at the sexual com-

[15] Bendix, "Bureaucracy and the Problem of Power," p. 298. "In some degree, the character of personnel is determined by the wider social structure constituting the environment of the bureaucracy. Changes in the cultural values and educational opportunities of social strata, for example, may lead to marked changes in the social origins of aspirants to positions in public or private bureaucracy. Within these limits, each bureaucracy can, in some measure, control the nature of its personnel."

position of the different status and professional groups, one notes that the positions of authority held by the administrative elite tend to be occupied by men, while the middle- and lower-level positions, specially the general-office and technical-assistance ones, tend to be occupied by women. The high percentage of women among the professionals (52.5 percent) and semi-professionals (50 percent) is noteworthy, particularly for a Latin country. Opportunities for social mobility thus exist for both sexes up to the level of professional status; thereafter, male public employees have a distinct advantage. The unskilled lowest echelon of the bureaucracy is staffed almost entirely by men, partly because of the strenuous nature of the work.

Age. The administrative elite tends to be older, on the average, having over twice as many members over 41 than the middle strata of the bureaucracy. The professional stratum tends to be largely an intermediate age group, having a somewhat smaller percentage of members over 40 than the administrative elite and a somewhat larger percentage than the middle strata.

That the older generation dominates the key decision-making positions in the bureaucracy becomes more evident if we examine the age distribution within the older age-category (51 and over). Only the lower strata approach the

TABLE 50

PROPORTION OF MEN AND WOMEN IN THE BUREAUCRACY BY STRATA
(percent)

	Adminis. Elite	Profes. & Técnicos	Semi-profes.	General Office Worker	Technical Assistant	Service Unskill.
Male	76	47.5	50	35.2	45	65.1
Female	24	52.5	50	64.8	55	34.9
Number interviewed	46	196	72	85	111	63

administrative elite in the percentage of middle-age employees —indicating that their social mobility is probably non-existent or very low. If we can assume that the middle-aged employees have served in the bureaucracy for a long time, the large percentage of top administrators in the upper age brackets indicates the top decision-makers spent a considerable part of their time in office under conservative administrative leadership. This is a factor that must be considered in evaluating the potentialities of public administrators for innovation and social change.

Nationality. Unlike other sectors of the middle class, specially private entrepreneurial groups, the public bureaucracy is composed almost entirely of Chilean nationals. Pike's assertion that people of foreign extraction have been disproportionately represented in the Chilean middle class (especially the professional groups) is hardly true of the public sector.[16]

Education. The highest-status and professional groups in the bureaucracy tend to be the best-educated. The professionals and technicians are overwhelmingly products of a university or a specialized post-secondary-school training institution, and a high percentage of them have attended a university. As

TABLE 51

AGE DISTRIBUTION AMONG STRATA OF THE BUREAUCRACY
(percent)

Age	Adminis. Elite	Profes. & Técnicos	Semi-profes.	General Office Worker	Technical Assistant	Service Unskill.
51 years	32.6	13.2	13.8	4.7	10.8	28.5
41 to 50	28.2	25.0	15.3	20.0	17.1	11.1
31 to 40	26.0	36.7	25.1	36.2	34.2	33.3
30 and under	13.2	22.9	40.2	35.2	35.1	23.8
No data	0	2.2	5.6	3.9	2.8	3.3
Number interviewed	46	196	72	85	111	63

[16] Pike, *Chile and the US*, p. 279.

one moves from the upper to the lower strata there is a corresponding decline in the percentage with a higher education.

Though higher education is prerequisite for the upper (professional-administrative elite) strata, the threshold separating the middle strata (semi-professional and general office) from the lower strata is found at the secondary-school level. The middle strata tend to have completed five years of secondary school, while the lower strata tend to have completed four years or less (primary school).

While almost three-quarters of the lower strata have a maximum of four years of secondary-school education, less than one-third of the general office employees and less than 10 percent of those holding semi-professional positions have this little education. Even within the lower strata there is a significant difference between the technical assistants and the unskilled; the majority of the former group has some secondary education, while the lowest group has by and large only a primary education.

In summary, the data on education and status indicate that in Chile's bureaucracy, the higher the degree of professionalization, the higher are the requirements in terms of formal education. Rational or objective criteria for selection appear to predominate. However, since the elite tend to have an advantageous educational background, "achievement" may be

TABLE 52

NATIONALITY AND STRATA OF THE CHILEAN BUREAUCRACY
(percent)

Nationality	Adminis. Elite	Profes. & Técnicos	Semi-profes.	General Office Worker	Technical Assistant	Service Unskill.
Chilean	97.9	98	100	100	99.1	100
Foreigner	2.1	2	0	0	0.9	0
Number interviewed	46	196	72	85	111	63

TABLE 53

HIGHER EDUCATION AND STRATA OF THE BUREAUCRACY
(percent)

	Adminis. Elite		Profes. & Técnicos		Semi-profes.		General Office Worker		Technical Assistant		Service Unskill.	
University	34.8	52.2	69.4	93.4	13.8	36	15.2	32.8	11.7	18	0	4.7
Special schooling	17.4		24.0		22.2		17.6		6.3		4.7	

predetermined by the opportunities for higher education.[17]

The educational advantages of the administrative elite in having access to private schooling becomes even more pronounced on the level of secondary education.[18] The advantages

TABLE 54

SECONDARY EDUCATION AND THE MIDDLE AND LOWER STRATA
(percent)

	Middle Strata		Low Strata	
Years Completed	Semi-Profes.	General Office	Technical Assistant	Service Unskilled
Secondary 5–6	43.0	35.2	9.9	6.3
Secondary 1–4	5.5	24.7	50.4	25.3
Primary 1–6	4.1	7.0	20.7	50.7

TABLE 55

TYPE OF SCHOOL ATTENDED
(percent)

	Adminis. Elite	Profes. & Técnicos	Semi-profes.	General Office Worker	Technical Assistant	Service Unskill.
	Type of Primary School Attended					
Public	52	73	72	60	71	78
Private	48	27	26	40	29	19
	Type of Secondary School Attended					
Public	52	84	76	66	59	24
Private	46	15	18	27	20	13
Did not attend Secondary School	1	1	4	7	21	60

[17] Bottomore stresses the class structure's influence in limiting access to higher education to select strata as a key factor in the maintenance of a status-quo-oriented bureaucracy. "In practice . . . the selection of individuals for the higher civil service, as well as for many other high status occupations, takes place, for the most part, at the point where individuals are selected for higher education. And the history of institutions of higher education shows that they have been largely reserved for individuals from the upper strata of society. Indeed, they have had a pre-eminent role in perpetuating class differences which could no longer be maintained by inequalities in civil and political rights." T. B. Bottomore, "The Administrative Elite," in *The New Sociology*, Irving Louis Horowitz, ed. (New York: Oxford University Press, 1965), p. 367.

[18] Private schools are both Catholic and secular. Their level of education and training tend to be generally superior to that of the public schools. The

accruing to the elite appear to begin early in life, especially in the field of education. As we shall see, friendships and acquaintances (begun at an early age) are an important influence on social mobility in the Chilean bureaucracy. These personal ties may be promoted, in part, by the exclusive pattern of private education, and may be an important force perpetuating social rigidities.

Religion. Though Chile is generally considered a "Catholic" country, there are significant differences of religious preference between strata of the bureaucracy. Almost-one third of all the professionals and *técnicos*, and almost a fourth of the administrative elite, are non-Catholics. The percentage professing Catholicism increases as one moves to the lower, less professional, unskilled occupations. The lowest strata, the unskilled service group, score highest on Catholicism. In a primarily Catholic country there is little evidence of pro-Catholic discrimination in the selection of administrators.

The non-Catholics tend to non-religiosity rather than to Protestantism or some other religious faith. The influence of the anti-clerical Radical party, which for years was entrenched in the public bureaucracy, appears to continue to hold sway, especially in the upper strata.

Politics and Professionalism

A persistent problem in creating an efficient administrative organization capable of directing economic and social de-

TABLE 56

RELIGION AND STRATA OF THE BUREAUCRACY
(percent)

	Adminis. Elite	Profes. & Técnicos	Semi-profes.	General Office Worker	Technical Assistant	Service Unskill.
Catholic	72	62	76	87	92	92
Protestant or other	2	5	3	2	2	0
Atheist or no religion	22	28	15	8	5	5

high proportion of general office workers who have been privately educated are probably upper-middle-class women.

velopment is the establishment of criteria of promotion that will advance capable and innovative men. It has been suggested that in many of the Latin countries promotion in the public bureaucracy is a means of political pay-off, or a means of co-opting potentially insurgent political groups. These political factors come into conflict with the demands of modernization and industrialization for qualified technicians and professionals.[19] Thus, one might suppose that greater emphasis on political or personal favoritism and less emphasis on merit would occur on middle and low administrative levels than on the professional level.

The highest percentage of people who believed that favoritism played a large part in promotions was found among the lowest strata of the bureaucracy—the service unskilled (55 percent), general office workers (51 percent) and technical assistants (52 percent)—and among the highest administrative stratum (52 percent). The lowest percentage was registered by the technicians and professionals (32 percent), with the semi-professionals in the middle (43 percent). This suggests that professional criteria for promotion are more highly developed. Still, the extent to which most of the bureaucracy perceive favoritism as the basis for promotion is great. If favoritism does operate to this extent, it probably undercuts efforts to establish rational criteria for promotion and to create a modern, rational administrative structure. Its prevalence would also suggest that administrative practices and problems reflect widespread structural problems and societal practices.

If we examine the basis of favoritism among the bureaucracy we find that among all strata except the lowest, the majority ascribe favoritism to personal, family, or political contacts or pull (*cuña*).

The low score of the lower strata probably reflects their lack of political and family contacts compared to the middle and upper strata, and the unattractiveness of their position. Intervening between the needs of a modern society and the attempt to establish rational organization to meet those needs

19 Gino Germani, "The Strategy of Fostering Social Mobility," in Echavarria and de Vries, pp. 211–230.

is the continuing importance of kinship ties and personal friendship. Alongside modern techniques of production, nonrational criteria continue to operate in the promotion of individuals. The existence of modern institutions does not eliminate "traditional" practices; indeed, the introduction of modern institutions may become a means of perpetuating existing sociopolitical groups.

The social implications of the importance of kinship and political contacts for promotion is the perpetuation of existing groups and the confinement of access to higher posts to select groups. In more general terms, the influence of political criteria and family ties tends to undermine the possibility of selecting personnel on the basis of merit, and makes it difficult, if not impossible, to build a competent, professional civil service capable of acting impartially on the basis of objective needs and criteria. This probably tends to heighten a sense of injustice and to increase the extent of arbitrary and unequal treatment in society. In general, it would seem that incremental growth and the gradual introduction of modern institutions facilitates the continuation of traditional practices and the maintenance of established groups.

Structure and Authority

An important requirement for the effective functioning of modern bureaucracy is the convergence of authority with responsibility. Persons who hold positions of high responsibility but lack authority cannot effectively carry out their tasks.

TABLE 57

BASIS OF FAVORITISM
(percent)

	Personal, Family, Political "Pull"	Other Reasons
Administrative elite	70	28
Professionals and técnicos	70	26
Semiprofessional	70	17
General office workers	63	27
Technical assistants	55	37
Service unskilled	41	43

Likewise, persons of great authority and little responsibility can short-circuit decision-making without being accountable. A division of authority and responsibility is incompatible with smooth functioning and coordination, especially on the highest levels of the bureaucracy. The individuals in the most responsible decision-making positions in the Chilean bureaucracy are the members of the administrative elite. In a rational scheme they should also have the most authority, which, in fact, appears to be the case. To the extent that authority can be quantified in terms of how many people one commands, the administrators have a great deal more authority than the professional-technician group. Forty-three percent of the administrators have 8 or more subordinates, compared to 10 percent of the professional-technicians. This may be a source of conflict, since the means for implementing the technical projects of the professional-technician group are possessed by the administrators, who have a different background, training, and basis of recruitment. The professionals and technicians, despite their specific differences with the lower and middle strata and their similarity to the administrative elite insofar as educational background and salary are concerned, appear closer on a scale of authority to the middle and lower strata (of whom 5 percent and 2 percent, respectively, have 8 or more subordinates) than to the highest group. It is clear that what power the professionals and technicians have does not lie within the bureaucratic structure; it is based not on control of administrative personnel but on prestige and influence outside the formal structure.

Salary and Status Symbols

The salary structure of the Chilean bureaucracy, while generally varying with the authority and professional position of the strata, varies considerably within each stratum. Also, some members of the lower strata of the bureaucracy receive higher salaries than higher-strata members with authority and professional training. There is also considerable spread in salary within a given stratum, often for the same work. This would indicate that within the formal rational organization

of the bureaucracy there is considerable play for "non-rational" factors to determine remuneration.

Inequality of salary within the lower strata seems less prevalent than among the professionals and the semi-professionals. Ninety-two percent of the service-unskilled strata, for example, receive 399 escudos a month or less. Seventy-six percent of the semi-professionals are in the low- and middle-income group, as are 59 percent of the professionals and técnicos and 48 percent of the administrative elite. The largest inequalities in salary within a stratum occur within the professional and administrative groups, which also contain the greatest concentration of high-paid functionaries. The more homogeneous wage structure of the low-paid groups is associated with occupations involving the least degree of specialization and professionalization. The growth of the latter seems to lead to greater range in salaries and economic inequalities.

An important luxury consumer article in Chile is an automobile. The price is prohibitive for most Chileans, over two to three times the price in the US. Position in the bureaucracy to a large extent determines whether one can own a car or not: the professionals and administrative elite are the main car owners. The gap between upper and middle strata is wide even when it comes to possession of a telephone, and it is only

TABLE 58

SALARY AND STRATA OF THE BUREAUCRACY
(percent)

Monthly Salary	Adminis. Elite	Profes. & Técnico	Semi-profes.	General Office Worker	Technical Assistant	Service Unskill.
Low						
199 or less	0	0	2.8	3.5	8.1	19.0
200–399	15.2	20.9	43.0	43.5	56.7	73.3
Medium						
400–699	32.6	37.7	30.5	41.1	30.6	6.3
High						
700–122	32.6	23.9	18.0	10.5	2.7	0
1200 and over	17.3	14.2	4.0	1.1	0.9	0
No data	2.3	4.3	1.7	0.3	1.0	1.4

with ownership of more commonplace household utensils such as vacuum cleaners that the middle strata approach the upper. The lower strata—the technical assistants and the unskilled service groups—are sharply set off from the rest even concerning the less expensive possessions. The distribution of material goods indicates distinct socioeconomic differences, directly related to positions of power, authority, and professionalism within the bureaucracy.

Status of the Bureaucracy: Self-Evaluation

The image of the public administration held by society at large, and, more importantly, by its own employees, influences recruitment and affects the morale and functioning of the organization. Dissatisfaction over conditions can have a negative effect on the bureaucrats' ability to perform their duties. When asked whether their position had more advantages or disadvantages, 28 percent of Chilean bureaucrats said it had more advantages, 40 percent more disadvantages, 17 percent neither advantages nor disadvantages, and 5 percent both advantages and disadvantages. The generally negative attitude of the bureaucracy may account for a certain malaise that has

TABLE 59

DISTRIBUTION OF MATERIAL GOODS AMONG STRATA OF BUREAUCRACY
(percent)

Strata	Autos	Telephones	Vacuum Cleaners	Homes of 10 Rooms[a]	Accessibility of Easy Credit or Cash in Acquiring Home[b]
Administrative elite	33	44	61	26	48
Professionals and técnicos	31	41	68	20	50
Semiprofessionals	6	25	50	8	29
General office	6	33	49	13	36
Technical assistants	4	12	23	5	40
Service unskilled	0	8	5	0	27

[a] Includes bathrooms and servants' quarters; however, in the lower strata it probably represents houses inhabited by the "extended family" and hence introduces some distortion.

[b] Private loans or family inheritance.

been noted among this stratum of society, and for the general inefficiency evident to the most casual observer. One might infer from this that the attractiveness of public employment is inferior to that of private activity.

The advantage most often cited by those who had a positive view of their position was working conditions; second was the nature of their work. Prestige was not considered important by most administrators. Superior status does not appear to be as important a consideration among the white-collar sector as was previously thought. The symbolic satisfactions frequently cited as an important aspect of the value-system of white-collar employees are not important to Chilean public employees. Work and its satisfactions ("freedom," hours of work, security, the possibility of learning, and the nature of work) are most often cited, indicating that concrete satisfactions play a more important role in motivating the public employee.

Within the bureaucracy, however, there are significant variations about what the advantages of working in the bureaucracy are.[20] The administrative elite cites prestige as the

TABLE 60

ADVANTAGES CITED ACCORDING TO POSITION IN BUREAUCRACY
(percent)

Strata of the Bureaucracy	Advantage Cited*			
	Salary	Working Conditions	Prestige	Nature of Work
Administrative elite	21	21	29	21
Professionals and técnicos	14	40	14	26
Semiprofessionals	37	32	5	11
General office	18	24	9	36
Technical assistants	42	12	0	23
Service unskilled	33	40	0	13
Bureaucracy as a whole N = 192	23	31	10	24

* Includes only those who mentioned "advantages" or "advantages and disadvantages."

20 See Herbert Simon, "Inducements and Incentives in Bureaucracy," in Merton, pp. 327–333. This study is concerned with the motivation of employees in a bureaucracy. Simon indicates that there is a diversity of motives and that "advancement" is not a particularly strong one.

major factor, the professionals and técnicos cite working conditions, and the general office-employees cite the nature of the work. The lowest strata and the semi-professionals cite economic conditions. The groups possessing skills that are more in demand are less likely to cite economic advantages than the less professional or unskilled employees.

On the other hand, the major disadvantage cited is the same among all strata of the bureaucracy: salary. Almost three-quarters of the bureaucracy as a whole pointed to this as their job's major defect. The administrative elite (perhaps comparing themselves with others holding similar positions in private institutions) were stronger on this point than all other strata, indicating that the major satisfaction they obtained from their work, prestige, was counterbalanced by a sense of economic dissatisfaction. The number citing problems of social mobility, working conditions, or the nature of their work was insignificant compared to the overwhelming percentage concerned with basic economic questions related to salary. The public employees' expressing overriding concern with wage and salary increases rather than prestige or social mobility resembles the industrial working class rather than the old professional middle classes.

The common grievance over salary and economic conditions shared by all bureaucrats may become the basis for col-

TABLE 61

DISADVANTAGES CITED ACCORDING TO POSITION IN BUREAUCRACY
(percent)

	Disadvantages Cited			
Strata of the Bureaucracy	Salary	Working Conditions	Social Mobility	Nature of Work
Administrative elite	90	0	5	5
Professionals and técnicos	70	2	12	11
Semiprofessionals	70	3	11	11
General office	71	16	6	3
Technical assistants	60	5	7	15
Service unskilled	69	12	12	4
N = 255				

lective social and political action despite the heterogeneous nature of the group. In fact, sectors of the bureaucracy form one of the strongest organized units of the labor movement. The organized public employees exert considerable pressure on the political system through the Left and Center parties. The generalized nature and the common basis of their discontent probably crystallizes opinion and organization despite the legal prohibitions against trade-union organization.

SUMMARY

Within the public bureaucracy, side by side with practices and attitudes that fit the Weberian rational model of a bureaucracy, we find others reflecting the "mixed" environment. The recruitment pattern of the Chilean public administration shows that rank is related to education, that sex does not affect one's mobility except at the highest levels, that religious discrimination is not evident and that external groups (immigrants or colonials) do not dominate. Salary and authority rise with rank. The formal structure of the bureaucracy thus appears to be based on rational considerations. However, within the formal structure we find that "traditional" values continue.[21]

Education is a necessary but not sufficient condition for advancement to the higher positions in the bureaucracy. The major vehicle for promotion is personal, family, or political connections. The perception of favoritism is general and not confined to a single group. Hence, though the "external" demands of modernization and industrialization necessitate a more rational public administrator to provide the services necessary for a modern industrial society, other environmental

[21] Riggs discounts the influence of traditional factors and cites what may be a more plausible explanation for "nepotism"—political power. "The pressure to appoint relatives and friends (the persistence of familistic influences) should not be attributed so much to "cultural lag" of traditional institutions or the compulsion of kinship, as to the need of officials to reinforce their power position by recruiting men on whom they can rely . . . Bureaucratic power not only provides incentives for officials to bypass the formal rules of a 'merit system' but also allows them to break these rules with impunity." Riggs, p. 273.

influences also demand—and achieve—satisfaction.[22] Status considerations and a rigid class system in an economy where non-governmental white-collar employment is scarce turns the public administration into an employment outlet for middle-strata individuals. Though the public administration is theoretically open to all citizens, it recruits generally from secondary-school and university graduates, who are almost exclusively from the middle strata. The seemingly objective nature of recruitment is not necessarily the "open recruitment" characteristic of an "open democratic society." While initial entry may reflect "achievement" in a limited sense, the position of the bureaucrat is not considered as a means of advancement. It takes on significance in its own right; security, not mobility, characterizes the prime value of the individual bureaucrat. Riggs, commenting on the effect of the overlap of modern and traditional values, states: "Here a new set of norms, political formulas based on foreign experiences, are superimposed on a social order which continues to adhere, in large measure, to older traditional norms, formulas and myths. . . . [The] official while formally adhering to one set of norms may secretly reject them as meaningless or not binding." Riggs also noted the ambivalent or dual nature of the bureaucracy in "mixed societies" insofar as modernity and traditionalism are concerned:

> The . . . bureaucrat seeks to maximize the personal advantages he can gain from both the contract and status systems and to minimize the disadvantages. Rank differs from ascribed status in that it is not inherited or claimed as a matter of right but must be attained. A school or university degree or an examination creates a claim to rank. But unlike the achieved position or the office in which performance validates an officer's reward, attained rank . . . becomes its own justification. Thus one who has been granted a particular rank on the basis of achievement can thereafter claim its corresponding perquisite on grounds of ascription . . . he seeks entry to rank by contract then rests on his laurels by status. The

22 See MacMahon and Millet, "The Selection of Bureau Heads" (Merton, pp. 312–319), for a discussion of the interplay between methods of recruitment and requirements of effective administration.

symbols of achievement are contradicted by the reality of ascription.[23]

The bureaucracy that combines external forms of modernity with a traditional mode of behavior may very well typify many of the situations and circumstances common to societies in which old elites and structures continue while modernity is introduced in piecemeal or incremental fashion.[24] In contrasting the model of a modern rational bureaucracy or entrepreneurial group to the "mixed" model, the similarities in external form make it necessary to identify less obvious differences within the formal structure. Differences in degree and emphasis become crucial. The cumulative effects of these differences, both in the recruitment and structure of the bureaucracy and in its values and norms, has a decisive effect on the developmental process.[25]

The incremental process of Chilean development has produced a "fusion culture" that combines features of both traditional and modern styles of life. External changes frequently overlay traditional values and behavior. The environment (fusion culture) and growth process (incremental) have affected the major institutions and social classes that have emerged. The public administration and the indigenous entrepreneurial group reflect this fusion culture in their outlooks, values, and behavior.[26]

[23] Riggs, pp. 127, 278.

[24] One of the most striking and absurd examples of this mixture of tradition and modernity was found in the Registro Electoral. A modern administrator intent on rationalizing the classification of citizens decided to put the data on IBM cards. Two million or more IBM cards contained the relevant data on all voters—each one typed, not punched.

[25] See Marion Levy, "Contrasting Factors in the Modernization of China and Japan," *Economic Development and Cultural Change*, II (Oct. 1953), pp. 161–197.

[26] In discussing the question of neutrality vs. values in the civil service, Lipset noted: "Civil servants . . . do not operate in a social vacuum. Their opinions about relative 'right' and 'wrong' are determined like those of all persons, by pressures existing in their social milieu . . . the opinion of government officials on the feasibility of any proposal is necessarily colored by their political outlook and by the climate of opinion in their social groups." Referring to high administrative personnel, he noted: "Government officials who belong to professional or economic groups whose position or privileges are threatened by government policies tend to accept the opinion of their own

THE BUREAUCRACY'S ATTITUDE TOWARD DEVELOPMENT AND SOCIAL CHANGE

In order to understand the political and social role of the bureaucracy in economic development and social change we must first examine the relationship of the bureaucracy to other social forces. The bureaucracy's perception of the distribution of influence in the political system, of its place in the social structure, and of the socioeconomic needs of society, as well as the bureaucracy's policy choices and ideology all affect the prospects for social change and economic development.

I will try to analyze the ideas and attitudes of the bureaucracy on two levels, using two basic concepts, "manifest" and "operational" values. Values that are maintained in public, but that do not necessarily direct behavior, will be termed "manifest values." "Operational values" will refer to those directing the actual behavior or choices of individuals. My general purpose is to determine the impact of the fusion-bureaucracy on the ideas and attitudes (at both levels) of the public employees. I will then turn to discuss the impact of the bureaucracy and its outlook in shaping the style of Chilean politics.

Perception of Influence and Benefits

Members of the bureaucracy were asked to name the most influential institutions or social classes in the polity. The political parties and the entrepreneur-upper class were perceived as most influential by the bureaucracy as a whole and by each sector within it. The politicians and parties, acting through the state, have in fact financed, subsidized, and developed industry, and the bureaucracy is thus justified in assigning them premier importance of the forces shaping Chilean society. Hence, though the bureaucracy rates entrepreneurs and the upper class highest in political influence of all the social classes, it considers them less influential than the parties that have

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group that reforms which adversely affect the group are wrong and will not work." S. M. Lipset, "Bureaucracy and Social Change," in Merton, pp. 277–278.

been instrumental in furthering the interests of the economic elites.

The bureaucracy clearly considers that the influence of the political parties is stronger than that of the central government. This would mean that the bureaucracy considers the parties, as instruments of power, to have an independent existence aside from their existence as agents working to achieve the social needs of influential strata in the social structure.[27]

It is interesting to note that the bureaucracy as a whole considers the least influential group to be the "middle class." However, among the upper strata of the bureaucracy the middle class, the workers, and the entrepreneurs were rated about the same. The idea that the middle class is powerless is less prevalent among the administrative elite than other strata (which could result from a combination of their high opinion of their own power and authority and their identification with the middle class). The workers and unions are perceived by the bureaucracy as a whole as one of the least influential groups in society.

The different positions that different strata in the bureaucracy have in its hierarchy of power, authority, and material

TABLE 62

PERCEPTION OF THE MOST INFLUENTIAL SECTOR OF SOCIETY

(percent)

Strata	Entrepreneurs & Upper-Class	Middle Class	Working Class & Labor Unions	Government	Political Parties
Administrative elite	13	11	11	9	26
Professional & técnicos	19	7	9	10	32
Semiprofessionals	18	10	4	14	36
General Office	20	2	4	11	39
Technical assistants	22	4	8	14	28
Service unskilled	18	2	8	13	27
Bureaucracy as a whole	19	6	7	12	32

[27] Raymond Aron, "Social Structure and the Ruling Class," *British Journal of Sociology*, I (Mar. 1950), 1–16.

rewards affects their perception of power in society. The professionals and técnicos tend, with the lower-status and nonprofessional employees, to identify the economic elite as the second most influential group. Their subordinate position in the authority structure probably influences their perception of society at large. The general attitude of the professionals, técnicos, and lower strata of the bureaucracy toward political influence would probably correspond to a "ruling class" theory in which power is considered to be concentrated among the economically powerful groups, whose power is based on and defended through the influential political parties. That the central government is not considered very influential probably reflects the weakness these sectors of the bureaucracy ascribe to themselves (since they are part of the central government).

The bureaucracy was also asked who has benefited to what degree from government policy. During the first year of the Frei government, the bureaucracy overwhelmingly perceived the middle class, its own class, as the least favored of all classes in society. The most favored groups of the middle class were considered to be the businessmen and the industrialists—those considered to have the greatest influence in society. Within the bureaucracy, however, the lowest strata—and they alone—considered the workers and peasants less favored by the Frei government than the "middle class." The higher the bureaucratic strata, the higher the proportion identifying the middle class as least favored. All strata of the bureaucracy agree that the landowners are not being especially despoiled. Among the social classes perceived as most favored by the Frei government, the urban economic elite (business and industrial capitalists) score the highest, followed by the lower class (the workers and peasants) and the landowners and middle class, the lowest scorers.

It is ironic that the middle class, said to have provided an overwhelming electoral majority for Frei, the class that led his campaign should now be considered the least favored by groups identifying themselves with it. The "disadvantages" of

being a member of the bureaucracy are attributed to the government in power.

Class Consciousness, Social Reform, and Bureaucratic Conservatism

Several writers on Chilean society have commented on the lack of a distinctive "middle-class consciousness"; the general idea presented is that the middle class identifies itself with the

TABLE 63

PERCEPTION OF GROUPS LEAST FAVORED[a]
(percent)

Strata	Industr. Business	Land-owners	Middle Class	Workers & Peasants	No data, No resp.
Administrative elite	0	9	63	9	19
Professionals and técnicos	3	11	56	17	13
Semiprofessionals	8	10	57	17	8
General office	9	11	58	14	8
Technical assistants	7	11	36	39	7
Service unskilled	5	5	29	41	20
Bureaucracy as a whole N = 575	6	10	50	23	11

[a] Perception of government policy in terms of which groups benefited least.

TABLE 64

SOCIAL CLASSES MOST FAVORED[a]
(percent)

Strata	Industr. Business	Land-owners	Middle Class	Workers & Peasants	No Data, No Resp.
Administrative elite	31	0	0	50	19
Professionals and técnicos	41	3	3	39	14
Semiprofessionals	40	4	3	46	7
General office	39	5	2	45	9
Technical assistants	50	8	4	30	8
Service unskilled	49	5	3	19	24

[a] Perception of government policy in terms of which groups benefited most.

upper class, and that traditional values are perpetuated on the basis of this "false consciousness." However, the data available on the bureaucracy indicate that all strata of it identify with the middle class; moreover, different strata identify with distinct levels within the middle class. Problems in Chilean development cannot be attributed to a lack of middle-class consciousness among the bureaucracy. There is, however, some basis for saying that administrators and professionals identify with the upper class more than members of the lower strata do; conversely, there is a clear relationship between descent in the bureaucratic hierarchy and indentification with the lower strata of society.

"Middle-class consciousness," however, pervades all bureaucratic sectors. The meaning of this sense of "middle classness" in terms of attitudes can only be brought out by examining attitudes on general and specific issues. The mistaken notion that particular attitudes toward development or reform are the products of particular senses of social identity has led to much confused thinking. A social group can be aware of its position in society without having the same attitudes, or engaging in the same behavior, that similar groups in other circumstances have. Students of development have often confused their desire for development with their commitment to specific political and social groups. Class conscious-

TABLE 65

STRATA OF THE BUREAUCRACY AND CLASS IDENTIFICATION
(percent)

Strata	Social Class		
	Upper & Upper-Middle	Middle	Lower-Middle & Lower
Administrative elite	17	72	9
Professionals and técnicos	15	75	6
Semiprofessionals	11	78	10
General office	13	72	12
Technical assistants	5	69	24
Service unskilled	5	57	37
Bureaucracy as a whole	11	72	14

ness— in this case, middle-class consciousness—does not necessarily inspire dynamic development, social reform, democracy, or the other virtues commonly associated with the advent, centuries ago, of the Western middle class. Nor does the abscence of these attitudes imply the absence of class consciousness. In different historical circumstances, middle-class consciousness can be associated with the attitudes most in tune with the specific socioeconomic situation in which the middle class finds itself, whether these attitudes be a lack of concern for agrarian reform, a preoccupation with traditional liberal ideas of improvement based on education, or a favoring of collectivist solutions.

Attitude Toward Social Change

A basic condition for furthering development is a society's openness to "social change." The process of economic development creates new careers, roles, and aspirations. A social stratum can embrace and hence propel the process of social change, reject and resist it, or be indecisive and bewildered by change (especially when change is seen as out of the stratum's control). The bureaucracy as a whole appears generally open to social change, though there is considerable uncertainty within it. The highest percentage of opponents of social change is found among the administrative elite, and the lowest among the professionals, the technical assistants, and the service unskilled.

The service unskilled, though they are among the least strong opponents of change, are also its least strong supporters, second only to the general office workers. This is because of the relationship between position and apathy; the lower the strata, the higher the percentage who have no opinion on the problem of social change.

Saving and Consumption

An important factor in economic development is the problem of investment; and closely related to the rate and percentage of investment is the ability of groups living above the subsistence level to put off present consumption to provide

resources for the development of the non-consumer capital goods necessary for dynamic industrial development. The collective decision of thousands of individuals on whether to save or spend can have a decisive impact on the process of capital formation in countries seeking to develop. Heavy spending beyond current income and heavy contracting of debts can create inflationary pressures and limit available credit. It is also indicative of a degree of "disinvestment," whereby potential resources are consumed for present satisfactions. The attitudes associated with dynamic industrialization are those virtues Max Weber associated with the "Protestant ethic": thrift, abstinence, and accumulation. Whether capital is accumulated by private individuals or by the state, the process is the same: present consumption must be sacrificed to future consumption; the immediate needs of economic development must take precedence.

A high percentage of the bureaucracy as a whole uses a substantial part of its salaries to pay debts.

This gives us some idea of the prevalence of credit buying and the degree to which the bureaucratic middle class is living beyond its means and creating demands on future resources as well as present ones.[28] The strong tendencies to consume

TABLE 66

ATTITUDE TOWARD SOCIAL CHANGE[a]
(percent)

Strata	Oppose	Support	No Response
Administrative elite	26	67	7
Professionals and técnicos	14	74	12
Semiprofessionals	25	64	11
General office	18	58	24
Technical assistants	12	65	23
Service unskilled	13	53	34
Bureaucracy as a whole	16	66	18

[a] The question was worded very generally: "Are you in favor of social change?"

[28] This agrees with the observation of Amanda Labarca Hubertson on the propensity of middle-class Chileans to spend beyond their means: "Private and public employees of the lowest income buy on installment (sacrificing

make concern for industrial development less an operating value than a pious wish. There is little to indicate that the bureaucracy as a whole, whatever its professed desires, is actually concerned with dynamic economic development. The private decisions of bureaucrats offset their expressed attitude on social change—except as "change" can be considered not from the structural point of view but from that of simply improving their own social position. As we shall see, there is strong evidence to suggest that change and reform are to a large degree associated with this narrow point of view. The idea of savings seems foreign to Chileans. The great majority of the populace in general and the bureaucracy in particular has either no or very little savings. The idea that development can take place through personal sacrifice or commitment seems alien to most members of the bureaucratic middle class.

The Issues of Importance

One of the major obstacles to Chilean social and economic development is the low productivity of agriculture. Attitudes toward the agrarian-reform issue are important in determining commitment to social change within the bureaucracy. All

TABLE 67

PERCENTAGE OF INCOME SPENT ON PERSONAL DEBTS
(percent)

Strata	0–9	10–29	30 and Over
Administrative elite	37	30.4	32.5
Professionals and técnicos	23	36.3	41.3
Semiprofessionals	22	33.3	43.1
General office	20	32.9	45.8
Technical assistants	29	24.3	45.0
Service unskilled	21	27.0	52.4
Bureaucracy as a whole	24	32.0	43.0

even their food) and at higher prices than the going rate all those ornate articles that will allow them not to be outdone by their friends, who to be sure are equally victims of the same anxiety of appearance." "Apuntes para estudiar la clase media en Chile," in *Materiales para el estudio de la clase media en la América Latina* (Washington: Pan-American Union, 1951), pp. 71–89.

strata of the bureaucracy consider agrarian reform of very low importance, though more technical assistants and professionals considered it of high importance than members of the other strata.

On the other hand, the issue of "education for all"—a classical liberal reform issue—is rated of great importance by extremely high percentages of all sectors of the bureaucracy. About three out of five public employees consider education a key issue.

As for the issue of reform in the copper-mining industry, the issue that tied up the legislature for the first year of the Frei government, the semi-professionals and general office workers rated it higher than the administrative elite and technical assistants did. However, the bureaucracy generally found the issue of copper reform unimportant. In the newspapers,

TABLE 68

IMPORTANCE OF AGRARIAN REFORM AMONG STRATA OF THE BUREAUCRACY
(percent)

Degree of Importance	Adminis. Elite	Profes. & Técnicos	Semi-profes.	General Office Workers	Technical Assistant	Service Unskill.
High	11	16	11	11	18	10
Moderate	30	26	22	21	20	8
Low	56	56	65	67	60	76

TABLE 69

IMPORTANCE OF EDUCATIONAL REFORM AMONG STRATA OF THE BUREAUCRACY

Strata	Degree of Importance		
	High	Medium	Low
Administrative elite	65	24	9
Professionals and técnicos	61	37	6
Semiprofessionals	58	29	11
General office workers	66	20	13
Technical assistants	68	25	7
Service unskilled	60	32	6

copper reform seems a burning issue, but this reflects the concerns of the political parties and the more politicized groups of white-collar employees, specially the professional strata, if the bureaucracy can be taken as indicative of public sentiments. Apparently what makes the copper issue so important is not mass concern with it, but the concern of political leaders who may have mass backing on other issues.

On the other hand, full employment, an issue that directly affects each employee, is rated highest by almost four out of ten of all public employees (38 percent). The semi-professional and professional groups are most concerned with it, followed by the service-unskilled employees.

The problems of housing differentiates the strata within the

TABLE 70

IMPORTANCE OF COPPER REFORM AMONG STRATA OF THE BUREAUCRACY
(percent)

Strata	Degree of Importance		
	High	Medium	Low
Administrative elite	7	22	70
Professionals and técnicos	21	26	50
Semiprofessionals	25	22	53
General office workers	20	29	51
Technical assistants	12	32	55
Service unskilled	18	17	59

TABLE 71

IMPORTANCE OF FULL EMPLOYMENT AMONG STRATA OF THE BUREAUCRACY
(percent)

Strata	Degree of Importance		
	High	Medium	Low
Administrative elite	35	48	15
Professionals and técnicos	41	41	16
Semiprofessional	50	32	18
General office workers	28	55	15
Technical assistants	33	51	15
Service unskilled	38	46	28

bureaucracy much more clearly than most other political issues. Those lowest in the bureaucracy are most concerned with it, which suggests that the lower strata are closer to the problems of the lower classes in society than other groups in the bureaucracy. Twenty-nine percent of the service-unskilled employees, 23 percent of the technical assistants, and 21 percent of the general office workers considered housing an important problem; compared to 13 percent of the semi-professionals, 17 percent of the professionals and técnicos, and 12 percent of the administrative elite.

The social issue all sectors of the bureaucracy consider a serious problem is inflation and the subsequent rise in the cost of living. Forty-eight percent of all public employees consider it an issue of high importance. The breakdown is: 61 percent of the administrative elite, 47 percent of the professionals and técnicos, 43 percent of the semi-professionals, 54 percent of the general office workers, 47 percent of the technical assistants, and 43 percent of the service-unskilled employees.

Policy Choices and Ideology

An important problem in analyzing the politics of economic development and social change in Chile is the seeming inconsistency between attitude and behavior on specific issues and ideologies propounded in public debate. This incongruence between "operational" and "expressed" values is frequently noted by observers of the behavior of Latin politicians; it is usually ascribed to "pragmatism" or "opportunism" —depending on the observer's viewpoint. Little research has been done on the question of whether this inconsistency exists within the larger polity, or to put it in different terms, whether the inconsistencies of the politicians reflect similar inconsistencies in the attitude of their constituency (in our case, the bureaucracy).

A major feature of Chilean society is its stability, and the continuity of its institutions. The main problem facing the Frei government is the gap between its democratic promises and the reality of profound social inequalities. One of the

mechanisms responsible for maintaining stability despite this incongruity is the bureaucracy in its role of dispenser of marginal social benefits and absorbent of political insurgents. The outlook likely to be found in this type of institution, which overlaps with the elite and moderates social tensions, is an "ideology of incongruities." The inconsistencies of the politician, the gap between his behavior on immediate issues and his overall outlook, are found also in the bureaucracy. The bureaucracy tends publicly to espouse the populist, or reform, ideology, but to manifest moderate or conservative values in its attitude on immediate issues.

The political influence of the bureaucracy and its attitudes on the nature of Chilean politics is difficult to underestimate. Situated mostly in key urban metropolises, organized, visible, and more articulate than the working and peasant populace, indispensable to the functioning of the state and hence to state-promoted development, the bureaucrats have an impact on political life disproportionate to their numbers. They also seem to have great influence on the uses to which ideas are put.[29]

The populist ideological style of Chilean politics and the moderate, gradual style of change in everyday life are also characteristic of the bureaucracy; in this sense it embodies Chilean political culture. An understanding of the bureaucrats' populist ideology is perhaps best gained by examining their responses to a question dealing with the desirable priority of bettering conditions among different social classes. Fifty-one percent of the bureaucracy as a whole cited the peasants as being the group whose conditions should be improved first; 20 percent felt that employees (which would include themselves) should get top priority, and only 17 percent felt that the workers needed preferential treatment.

The lower strata, along with the professionals and técnicos, tend to be more "populist" (peasant-reform) minded than the middle and upper strata; the middle and upper strata tend to be more self-interested than the lower-level employees.

[29] Bottomore, "Administrative Elite," pp. 360–361.

Though the bureaucracy favors beginning reforms with the peasantry, its attitude toward what reforms should be carried out, and how they are to be achieved, differs considerably from the peasantry's own, as we shall see.

The ideological attitude of the Chilean bureaucracy can also be examined from the point of view of their outlook on ownership and control of the means of production. "Statism" has been a characteristic feature of Chilean politics, primarily among the center and left-of-center political groups. In the bureaucracy as a whole, and among all its strata, there is very little support or sympathy for the classical, liberal free-enterprise model.

The percentage of each stratum rejecting the free-enterprise economy is high, higher than one would expect from their

TABLE 72

ORDER OF PREFERENCE IN BETTERING CONDITIONS
(percent)

Order of Preference	Adm. Elite	Prof. & Tec.	Semi-Prof.	Gen. Off.	Tech. Asst.	Serv. Unskill.
(1) Employees (2) Workers (3) Campesinos	17	15	19	9	8	16
(1) Employees (2) Campèsinos (3) Workers	20	11	25	24	10	11
(1) Workers (2) Employees (3) Campesinos	4	4	4	9	4	3
(1) Workers (2) Campesinos (3) Employees	7	10	8	20	14	18
(1) Campesinos (2) Employees (3) Workers	13	15	10	18	13	11
(1) Campesinos (2) Workers (3) Employees	35	41	32	19	50	41
Combining groups:						
Employees first	37	26	44	33	14	20
Workers first	11	13	13	29	27	16
Campesinos first	48	56	42	36	62	51

bureaucracy's intermediate position in society. This probably reflects the fact that state ownership of property would not directly interfere with the bureaucrats' income or position. About 68 percent of the bureaucracy as a whole opposes and 17 percent favors free enterprise. Regarding collectivism, or state ownership of the means of production, the overall consensus in the bureaucracy breaks down. While a slight majority of the bureaucracy as a whole favors collectivism, there are substantial differences between different strata. There is also a sizeable group that either does not want to give a response or is unfamiliar with the issue.

Collectivist ideologies certainly will not meet with general hostility from the bureaucracy. Support or resistance to the

TABLE 73

ATTITUDE TOWARD FREE ENTERPRISE AMONG STRATA OF THE BUREAUCRACY
(percent)

	Support Free Enterprise	Oppose Free Enterprise	Don't Know
Administrative elite	24	63	13
Professionals and técnicos	11	76	5
Semiprofessionals	28	60	10
General office workers	18	71	12
Technical assistants	18	69	12
Service unskilled	11	49	38

TABLE 74

ATTITUDE TOWARD COLLECTIVISM AMONG STRATA OF THE BUREAUCRACY
(percent)

Strata	Favor	Oppose	Don't Know No Response
Administrative elite	35	54	11
Professionals and técnicos	43	42	15
Semiprofessionals	46	44	10
General office workers	46	35	19
Technical assistants	41	43	16
Service unskilled	33	18	49
Bureaucracy as a whole	42	40	18

change involved would depend on how it affected each stratum's socioeconomic position and status. The surprisingly high percentage in favor of collectivism over free enterprise does imply, at least on the ideological level, considerable leeway for discussion, if not action. However, the strategic decision-making group, the administrative elite, is the group most opposed to collectivism (54 percent). The lowest stratum, to the extent that it articulates an ideology, favors collectivism twice as much as free enterprise, 33 percent to 18 percent. The general office workers, semi-professionals, and professionals show slight to moderate percentages favoring collectivism.

Consensus reemerges when a "mixed economy" is proposed; the idea of a mixed economy appears more in line with the basically moderate attitude the bureaucracy takes on day-to-day issues. A mixed economy implies piecemeal or incremental change, while the establishment of a collectivist economy would involve some sort of disruption. From the administrative elite to the bottom strata, the mixed-economy formula seems to be supported by those opposed to collectivism, plus a substantial sector of those in favor of it.

In summary, then, no ideological split on free enterprise vs. collectivism exists in the Chilean bureaucracy; the real ideological division is on the degree of statism: collectivism vs. a mixed economy, with the latter having the edge at present. While socialism does not seem alien to the bureaucracy, it is not clear to what degree the issues and reforms it supports

TABLE 75

ATTITUDE TOWARD MIXED ECONOMY AMONG STRATA OF THE BUREAUCRACY
(percent)

Strata	Favor	Oppose
Administrative elite	67	17
Professionals and técnicos	64	22
Semiprofessionals	71	19
General office workers	68	21
Technical assistants	74	16
Service unskilled	52	11
Bureaucracy as a whole	66	19

are consistent with its ostensibly radical ideological outlook. An analysis of the congruence or incongruence of the ideology and the type of reforms to which the bureaucracy is committed may help us understand the nature of Chilean social struggle and Chilean political warfare.

BUREAUCRACY: THE EMBODIMENT OF EMERGENT SOCIETY

Economic development, especially industrialization, requires that strategic groups have values in accordance with the demands of the process. The intensity with which these groups hold different values, some of them contradictory, determines the priorities whereby they order their actions. In today's world, where the "proper values" for development are well-known due to their diffusion through the mass media, groups and individuals may espouse these values though their actions are clearly at variance with them. While one cannot dismiss the significance of attitudes even when they are not matched by action (since the espousal of values may indicate an attempt to adapt traditional practices to modern demands), the overriding concern from the practical point of view is action: concerted efforts toward specific goals, premised on achieving the goals with the limited resources available in a determined time period. The "long view" of development, usually meaning the diffusion of specific values through education, and the gradual assimilation of techniques over a score of years, has frequently led to the accommodation of strategic groups in an atmosphere of economic stagnation—accompanied by overt manifestations of support for development.

To separate these two features we distinguish between "manifest" values, those publicly held, and "operational" values, those shown by the actions the groups under consideration engage in. For example, a social stratum may favor social change but give all of its attention to particular limited types of change; or a social stratum may favor an ideology thought of in terms of sweeping change, but that in practice involves commitment to quite limited change.

When the bureaucracy was asked to rate all the issues discussed above together, rather than one by one, the issues related to changes in the structure of society (agrarian reform, copper reform), or to improving the living conditions of the lower class (housing) received the least support. On the other hand, the changes that traditionally have been supported by the liberal-conservative elite (education, full employment) scored significantly higher. The only issue affecting both the middle and lower classes adversely was the rise in the cost of living, and it was considered of great importance.

Thus, whether the issues are counterposed to each other or are rated separately, the results are much the same: the bureaucracy is not interested in structural changes, but in gradual change within the system through the well-worn liberal method of more education. Its main preoccupation is with stabilizing the cost of living and solving the problems of the poor through increasing employment. It is not interested in challenging the position of the export sector and its subordination to the industrial needs of the US, nor in improving the housing conditions of the poor.

The bureaucracy appears in general terms to be reform-oriented, but in reality has a much narrower conception of

TABLE 76

COMMITMENT TO SOCIAL CHANGE: PORTION OF STRATA AMONG THE BUREAUCRACY INDICATING HIGH-PRIORITY RATING OF ISSUES
(percent)

	Issues					
Strata	Education	Agrar. Reform	Copper Reform	Full Employment	Housing	Rise in Cost of Living
Administrative elite	45	2	0	9	0	39
Professionals and técnicos	45	2	11	11	3	28
Semiprofessionals	39	6	8	10	1	36
General office workers	48	1	8	7	1	34
Technical assistants	44	3	2	11	5	35
Service unskilled	46	3	5	16	3	25
Bureaucracy as a whole	44	3	7	11	3	32

social change, one more in accordance with an interest group seeking to secure and advance its position in a society with limited opportunities. There are discrepancies, however: the lower sectors of the bureaucracy express a more positive attitude on the issue of immediate importance, housing, indicating that within the bureaucracy there are groups that might be mobilized around more "populist" social changes. The data on debts and savings indicate that, rather than being capable of making a serious sustained effort toward economic development, all strata of the bureaucracy behave in a way that increases pressure on the limited resources available. Chilean political economy faces the problems of a prolonged, frustrated development and the growth of political radicalism. The first results partly from the system's inability to create conditions that might motivate the bureaucracy to sacrifice present consumption for economic development. The general acceptance of collectivism and the almost complete rejection of free enterprise probably reflects an attempt by the bureaucracy to strike back at a system that is not paying off. But it is the bureaucrats who by their very desire for immediate satisfactions contribute to conditions of underdevelopment. Their personal frustrations find a counterpart in the frustration of development; both lend themselves to generalized discontent and the espousal of collectivist solutions.

What one must not lose sight of is the fact that the collectivist solutions are only proposed, not acted on. Hence, while 51 percent of the public employees favor change for the peasants even before themselves, they show little interest in agrarian reform or housing for the poor. The changes they favor tend to reflect their own needs, not those of the lower-income groups that they say they most want to aid. Though they believe that the entrepreneurs and the upper-class elite are a "ruling class," their main preoccupation is stability, not reform. Though they feel they are the least favored strata of the population and the business and commercial group most favored, they still indicate that they prefer the present mixed economy over radical collectivistic solutions. It should be

noted, however, that time could be running out for ineffective "mixed solutions," or ones that impose the cost of development unequally. The private-property mystique found in the US is very weak among Chilean public employees, making them susceptible to more pragmatic choices that might be conceived of as providing a sounder basis for stability and opportunity.

Radical ideology without radical action and commitment to short-range, liberal-reform issues characterize not only the public employees, but the whole Chilean political system. "Middle-class socialism" can in fact be described as precisely the articulation of a collectivist ideology while action is directed toward short-range practical concerns that create stability and opportunity, attempting to overcome obstacles within the existing system. It could well be that the radical-rhetoric—moderate-behavior syndrome so characteristic of Chilean politics is an expression of the attitudes of the sectors of the middle class that make up the bureaucracy, and of the parties whose activities are aimed at getting middle-class support.

The split orientation of the bureaucracy and its effects on the political process may also directly affect the activities of the leftist parties. Should the Left wish to win over the bureaucracy, it would probably tend to channel its political activity into electoral competition and to moderate its immediate demands—both of which would turn the Left toward the parliamentary arena. One cause of the Left's concentration on parliamentary activity could be the attempt to win over a group whose ears are open to the rhetoric of "collectivism," but whose feet are set on the path of moderate social change.

In terms of the social system, the bureaucracy largely identifies itself with the middle class rather than the upper or lower class. Except for the administrative elite, the bureaucracy tends to see itself as a relatively uninfluential group, particularly when compared to the entrepreneurs. Aside from its own position in society, which it finds "disadvantageous" because of low wages, the bureaucracy tends to recognize the inequalities of society and to favor changes benefiting the peasantry.

It also shows considerable animus toward private enterprise, favoring one degree or another of state ownership or control. But the types of changes considered important by the bureaucracy would seem more appropriate to the entrepreneurs rather than the populace: education and control over the cost of living rather than agrarian reform, housing, or copper reform.

Within the bureaucracy there is broad social differentiation. The unskilled on the one end, and the professional and administrative elite on the other, merge into the top and bottom of the societal hierarchy. As a result, the bureaucracy contains both populist and conservative attitudes. But the overall functioning of the bureaucracy is influenced considerably by the operational values of the decision-makers, which tend to be concerned with incremental changes. In contrast to the political parties, which represent various interest groups, the bureaucracy functions as a representative of the interests of the higher levels of the middle class.

One can perhaps foresee the bureaucracy putting its ideological radicalism into effect far enough to confront the economic elite with specific, limited, self-interest-oriented demands, and hence, perhaps, gaining support and legitimacy from the popular classes, or at least their political spokesmen.[30] The bureaucracy can be viewed not only as a buffer force between labor and capital, but also as capable, under certain circumstances, of taking advantage of the vulnerability of both to push its own program and demands. As an intermediary formation with ties to both ends of the social structure, the bureaucracy has an eclectic political attitude that combines the interests of both ends of the spectrum with its own professional and status demands. While external social forces influence the behavior of the bureaucracy, they do not completely determine its orientation; its behavior seems to be influenced to a large degree by the needs of its members and

[30] Selznick discusses how "grass-roots democracy" became a protective ideology for specific economic interest groups. Philip Selznick, *TVA and the Grass Roots* (Berkeley: University of California Press, 1953).

their careers, needs that distinguish them from both the workers and the entrepreneurs in terms of status, influence, education, and personal wealth. At the same time the bureaucracy, divided by rank and status, does not share a common, conscious political outlook—a "bureaucratic identity."

The bureaucracy is a major integrating force holding the framework of Chilean "bargaining politics" together. The political consequences of the fusion of modern and traditional values is one reason for the stability and order of Chilean politics. A partial explanation of why Chile is as stable as it is may be the bureaucracy's ability to soften the antagonism of rural labor while protecting middle-class parliamentary and party activities.

9
THE FUTURE OF CHILEAN POLITICS

Chile's overall industrialization and modernization efforts have had a markedly different impact on the structure of the labor force, on regions of the country, and on classes of society. Development and social change have tended to increase the gaps between economic sectors and between social classes, and this in turn has affected the development process. The concentration of political and social power has had an important effect in producing uneven development. Policies directing socioeconomic development have been influenced by the institutionalized interest-groups that dominate the political system. That Chilean development has been unbalanced was not merely the result of personal failings or the function of impersonal economic forces: social classes with political influence shaped the allocation and direction of government resources to meet their own socioeconomic needs, not those of a rational construct of balanced economic growth.[1] In Chile, industrialization, demographic changes, and the extension of education and some social services did not have the antici-

[1] For a discussion of the mobilization of bias in a political system, see Peter Bachrach and Morton Baratz, "Two Faces of Power," *American Political Science Review*, LVI, No. 4 (Dec. 1962), 947–952.

pated results; they did not reduce inequalities in income or create greater opportunities for the lower class.

Economic development has not resulted in a more equitable distribution of the social pie. The cost of industrialization and social welfare has been borne largely by the lower classes. As one author has written, "redistribution" has meant raising the standard of living of the middle class at the expense of the lower class.[2]

Both in the past and at present, inequality has been a basic feature of Chilean society. The industrialization process in both its dynamic and stagnant phases has had a great effect on the social structure. In its dynamic phase it created an urban proletariat; during its stagnant phase a subproletariat developed that now numbers almost 500,000 in Santiago and includes about 25 percent of the population.

Migration from rural to urban areas has not led to substantial improvements, since many migrants have been employed in the lower-paying occupations of the service sector. In recent years per-capita income of those employed in personal services was only slightly higher than that of agricultural workers. One of the major social consequences of rapid urbanization and slow industrialization relative to urban growth has been increasing social polarization: the growth of a nonindustrial middle class and a swollen nonindustrial proletariat.

The system of social stratification has become increasingly complex. On the bottom are the agricultural working class (inquilinos, afuerinos, and so forth) and the urban poor employed mostly in nonindustrial, low-paying pursuits; next are the industrial workers, including workers in expanding industries such as copper and steel and in stagnant industries such as textiles, coal, handicrafts; above them are the public employees and professional and commercial groups—the "middle strata" proper; next are the small and medium manufacturers and businessmen; and on top are the large industrialists, businessmen, bankers, and landowners. Entry into the

2 Pike, "Aspects of Class Relations in Chile," pp. 14–33.

political system and access to political influence—that is, into the world of bargaining and negotiation by interest groups and party competition in electoral politics—involved only the top elite until 1920. From then until the late 1930s the middle strata became increasingly active. After 1940, the middle strata were included, while the bargaining rights of industrial workers were partially accepted (though their status is still precarious). The peasants and urban slum dwellers have yet to be effectively incorporated into the system.

The political strategy adopted by "insurgent groups," given this complex differentiation, has been coalition or multiclass alliances. Successful mass political movements have usually been populist, not class, in ideology. These movements have usually drawn support from different strata of society. Industrialists, substantial segments of the self-employed, public employees and strata of the lower class, and to a lesser degree industrial workers have been involved in alliances. Analysis of these coalitions usually reveals that hegemony has rested with the upper strata. The populace has had little influence on shaping policy or on the allocation of resources.

The existence of underdevelopment alongside of mature capitalist forces undermines attempts to spark Chile's development by applying the measures that were effective in developing other Western societies. Large-scale industrial plants and the emergence of monopolies are features of mature capitalist societies. The interlocking of business and agricultural interests perpetuates unproductive agriculture; and hostility to effective working-class organizations results in authoritarian social relations. Both features are characteristic of underdeveloped societies. Concentration of economic power and lack of an internal mass market generate little incentive for industrial innovation; hence there are few if any new innovative entrepreneurs. The bureaucracy's inability to save or invest creates added demands for consumer goods, with few means for satisfaction. The crucial factors cited in the dynamic growth of capitalism in the United States during the nineteenth century—competitive capitalists and the Protestant

ethic—are not found among the majority of the Chilean middle strata. The new Christian-Democratic government has attempted to induce, through manipulation of government resources, what the economic system alone does not generate.

Despite great inequalities and uneven economic growth, Chile has possessed a stable parliamentary political system with a broad spectrum of parties, ranging from Communist to Conservative, competing for the vote. Political stability, with power concentrated in the executive, was based on the existence of an organizationally fragmented labor movement and a unified and organized ruling class. The fusion of traditional and modern values and the exclusion of the peasantry from effective participation in society contributed to stable elite domination.

Because organized labor is fragmented, the ability of workers to make demands on the system is limited. Because only one-eighth of the labor force is organized, few direct collective demands are made, and the system has enough power to maneuver and limit the terms of settlement. The weak and scattered nature of working-class demands has also contributed to Chilean political stability. The presence of Marxist political parties has not led to instability. The Communist and Socialist parties do not make direct demands on the system, but work through parliament, since the weakness of the labor movement leaves them with few resources for enforcing their demands. Quite likely, a militant trade-union movement, organized on an industry-wide basis and negotiating nationwide contacts, would be a much more unstabilizing force than the present Marxist-led preindustrial unions.

The second key to the stability of the Chilean political system is the unified and organized character of the ruling class. Through economic organizations such as the National Association of Farmers and its counterpart in industry, and more importantly through interfamily ties, a highly integrated ruling structure has maintained sufficient cohesion and continuity to channel, contain, or co-opt insurgents intent on changing the system. Consensus within the ruling class over

fundamentals allows for the play of parliamentary politics among different social and political forces. This high degree of internal cohesion was balanced by an attitude of accommodation to popular leaders willing to sacrifice the demands of their constituents. The ruling class has also provided channels of social mobility for leading insurgents. Because the ruling class controlled substantial national resources, it possessed a "national identity" and some independence from foreign control. Until recently, it stabilized its rule through control over the rural labor force. Its internal cohesion was strengthened by the existence of legal channels for settling internecine conflicts. Parliamentary elections reduced violent conflicts, as well as the possibility that insurgents might take advantage of such conflicts to precipitate social revolution.

A third factor underlying the stability of the Chilean political system and bourgeois hegemony was the political socialization of new political leaders. Formal and informal meetings between traditional elites and insurgents in a legal environment provided an opportunity for the transfer of elite values to intermediary groups and through them to lower social classes. The hierarchy of prestige, the importance of legalism, and the social sanctions and deference patterns associated with this social pattern filtered down and became important features of the Chilean political system. These values, and the informal mechanisms by which they were transmitted, have produced political stability in the midst of exploitation, hierarchy, and privilege.

The bureaucracy and the entrepreneurs on the one hand, and the political parties on the other, have been major social forces shaping the Chilean political system. The predominant feature in the outlook of the entrepreneurs and bureaucrats is "statism." Both groups support state intervention in the economy. Disagreement between them concerns which groups should benefit from governmental policies. The state is an important source of employment and channel for advancement for the bureaucratic middle strata. For the entrepreneur, it is an important instrument for the promotion of private in-

dustry. The political parties link the bureaucracy and entrepreneurs to the formal instruments of political power. The parties serve as the managers of intra- and intergroup conflict. They were shaped by the status aspirations of their members. Payoffs are provided by occupational opportunities in the public and private sector. The patronage orientation of the parties moderates the social conflict and political insurgency that has been generated by the process of economic and social development. The socialization of insurgents and the cooptation of left-wing militants allowed for a pattern of incremental social and economic change based on mutual adjustment between conflicting groups.

The equal distribution of the benefits of development, and the mobilization of key resources for the achievement of societal goals, has, however, been hampered by the multiplicity of arrangements between political parties, social strata, and public administrators. The emergence of a radical peasantry represented by neither the bureaucracy nor the political parties (and thus excluded from the polity) conflicts with the existing bargaining political system. The peasantry represents a challenge to the stability of the political system and the elites who fail to meet its demands.

The strong statist tendencies, the hostility to popular social reform, the interlocking of industrial elites, the overlap of rural and urban property—all suggest that the ruling class could easily adopt a "corporate" political system if parliamentary politics fails to secure their interests. The ideology of national regeneration, which provides dominant elites with a populist rhetoric, appears to be the most dynamic postreformist style of politics. Because a populace is "available" to radical political forces, the elite has turned toward a mobilization style of politics as a means of containing change. A major target of a corporate state would be the complicated system of negotiation and bargaining, and the political and social forces associated with it.

Politically, corporatist ideology is innovative. New organizations of direct participation are proposed. Power is cen-

tralized in the executive, and the parliament (the seat of political transactions and bargaining) is downgraded. Socially and economically, corporatist ideology is conservative. The influence of economic elites on the Frei government suggests that fundamental changes in the ownership and control of economic units and in the distribution of wealth are not likely. The strong emphasis in Christian-Democratic policy on forced savings, technological change, and administrative reform illustrates the innovative-conservative blend of national regeneration politics. In a corporate system change takes place from the top downward.

The success of the Christian Democrat's development program hinges on their ability to harness the energies of diverse and conflicting social forces to national goals. To do this they have relied on influencing the existing elites, particularly the bureaucratic professionals and top entrepreneurs. The Frei government's development program is based on an optimistic assessment of these strata's openness to innovation and their willingness to invest in the future.

The evidence that is accumulating suggests that the first four years of the Frei government have hardly been revolutionary. Some changes have occurred in the countryside that have benefited some low-income groups. New legislation concerning agrarian reform has been passed and is now law. The more substantial improvements occurred in the first two years of the government. During the third, even marginal improvements seem to have come to a stop. The growth of the economy during the first two years of the Frei government was largely the result of external factors —high copper prices—partially due to the Vietnam War. Despite the copper bonanza, the overall performance of the economy was similar to that during the better years of the previous Alessandri government.

Discontent in society and the growing strength of the left has led to increasing conflict within the Christian-Democratic party.[3] The most serious manifestation is found in the in-

[3] The first major crises on the cabinet level occurred over the Frei government's attempt to introduce a forced-savings scheme. See the *New York Times*, Nov. 10, 1967, p. 1.

creasing militancy of the left wing of the party. Jacques Chonchol and other leftist PDC leaders have proposed a new course —"Proposals for Political Action in the Period 1967–1970 for a Non-Capitalistic Way of Development." In July 1967 Júlio Silva Solar was elected secretary-general of the party. As a spokesman of the "rebel" sector of the party, he has articulated some of the populist demands of the lower-income groups who support it: bank and credit reform, workers' participation in industry, and so forth. Opposed to Frei's attempts to divide and weaken the union movement, and to collaboration with the economic elites, the populists led by Silva Solar gained the support of the majority of the PDC's rank and file, who were becoming increasingly discontented with Frei's policies. In the party election of July 1967, the anti-Frei rebels led by Silva Solar swept all the party offices. The new party leaders link Chile's economic and social backwardness to the dominion of private enterprise. In order to get Chile on its feet, Chonchol and Silva proposed the nationalization of major industries (significantly excluding national manufacturing and the American-owned copper industry), the establishment of a state commercial agency (to eliminate the commercial monopolies), limitation on private profits and credits, and increased workers' participation in industrial decision-making.[4] Frei has reacted negatively to these imaginative proposals toward achieving his election promise of a revolution in liberty. In place of revolution, Frei has increasingly turned toward granting concessions to foreign and private investors, in industry and agriculture. In place of liberty, he has increasingly turned to repressive means to assure the elites of his support and to engage their cooperation in achieving national goals.

By 1968 the left-wing Christian Democrats had failed to carry through the struggle for their program of structural reform. President Frei once again gained control of the party machinery. The leftists in the PDC, lacking a firm commitment and concrete targets, lost the initiative. In struggle over

4 Paul Sigmund, "Chile's Christian Democrats," *America*, Nov. 18, 1967, pp. 603–604.

the selection of party nominees for the important 1969 congressional elections the conservative oficialista faction gained close to 90 of the nominees, the tercerista or middle group 50 and the left-wing or rebel faction less than 20. In sum, while the left PDC'ers continue to hold considerable popular support among the electorate at large, inside the party they have lost considerable ground and have little if any influence.

The right-wing National Party has made thinly veiled appeals to the military to take over the government.[5] Frei, under increasing pressure, has responded by increasing repression; he had the entire leadership of the National Party arrested (the Supreme Court threw the case out) and brought criminal charges against Socialist Senator Altamirano for a revolutionary speech delivered at the University of Concepción.[6]

In November 1967, the police and army killed or injured at least twenty-two persons participating in a general strike called by the leftist led CUTCH to protest the Frei government's forced-savings scheme. Over eight hundred people were arrested.[7] The central point in the dispute was the government's plan to cut down on the purchasing power of the wage-earning classes. By withholding one-fourth of an expected wage increase (granted to keep wages on a par with price rises), the Frei government planned to reduce inflationary pressures and create investment capital. The burden of achieving monetary stability and development under Frei, as under previous oligarchial regimes, falls mainly on those least able to bear it—the wage-earning classes. Given the Frei government's commitments and choices in development policy, it is not accurate to describe Frei as either a "traditionalist" or a "liberal pluralist." Committed to modernization and development, he appears determined to implement his program by any means necessary.

[5] *La Nación* (Santiago), Aug. 31, 1967.

[6] On the arrest of leaders of the National Party see *Ultimas Noticias* (Santiago), Sept. 1, 1967; on the Supreme Court ruling see *La Tercera de la hora* (Santiago), Sept. 10, 1967; for a discussion of the Altamirano case and part of the speech for which he was arrested see *El Mercúrio* (Santiago), Sept. 13, 1967.

[7] *New York Times*, Nov. 24, 1967, p. 5.

If we set aside Frei's revolutionary rhetoric and examine actual changes under his government, we find that he has operated to a considerable degree within the constraints of the Chilean political tradition.[8]

The gross national product grew at the rate of 7.6 percent from 1964 to 1966, compared to 5.1 percent between 1960 and 1964. In 1967, however, it declined to about 1.5 percent.[9] The growth in 1966 was basically due to the rise in the price of copper and to the performance of the public sector, which showed a considerable increase in consumption and investment. In 1967 the sharp decline in the economy—which registered a negative per-capita growth rate—coincided with the drop in copper prices. Instead of diversifying her exports, Chile has become increasingly dependent on copper. In 1967, mineral products accounted for 85 percent of total Chilean exports. Copper alone accounted for 70 percent, and industrial goods 14 percent. In the short run, Frei has done very little to alleviate the Chilean economy's vulnerability to external price fluctuations.

In 1965–1966, government sources indicate a substantial rise in real income. However, this important improvement in the standard of living was not mainly the result of government policy. The level established by law for 1966 stipulated a real increase of only 2.5 percent over 1965. Increased salaries resulted from concessions obtained by wage and salaried workers either through negotiation or strikes. In 1967, very little if any increase in income was expected. The short-term limited gains in income redistribution between 1965 and 1967 were countered by regressive tax trends and continued unemployment. Direct taxes accounted for a reduced share of total budgetary tax revenues, declining from 35 percent in 1965 to 33

[8] The Christian Science Monitor accurately noted, "President Frei's measures have been more palliatives than a permanent basis for healthy economic growth." *Christian Science Monitor*, Nov. 13, 1967.

[9] Unless indicated otherwise, statistical data in this chapter are gathered from the Inter-American Economic and Social Council's Inter-American Committee on the Alliance for Progress (CIAP) report titled *Domestic Efforts and the Needs for External Financing for the Development of Chile* (OEA/-SER/XIV/CIAP/165, Sept. 29, 1967).

percent in 1966. Sales taxes, which accounted for 23 percent of revenues in 1965, accounted for 24 percent in 1967. In June 1965, there was 13 percent unemployment in the construction trades and 4 percent in industry, while in June 1967 unemployment reached 17 and 5.3 percent, respectively, in these same sectors.

Industrial growth during the Frei government has been unsteady. Though industrial production increased 7 percent in 1966, it declined 10 percent in the first months of 1967. The impetus for development has not come from the domestic private sector; private sector savings were negative in 1966 and 1967 (–14.8). Public savings have accounted for an increasing proportion of gross savings, jumping from 27 percent in 1965 to 46 percent in 1967. Equally important, Frei's development program has become increasingly dependent on foreign financing, external sources accounting for 7 percent of the program's budget in 1965 and 15 percent in 1967.

The Frei government's economic-stabilization program was mildly successful, reducing inflation to a 25.9 percent increase in 1965 and 17 percent in 1966. In 1967, however, inflation doubled the 12 percent rate Frei had set for that year. Further instability may result from attempts by wage and salaried groups to catch up with expected loss in income due to inadequate readjustments and the forced savings scheme proposed by the government. During the first six months of 1968 inflation was greatly exceeding what government forecasters had been predicting.

A similar pattern appears regarding the social reforms proposed by the government. In 1964 Chile had a shortage of 600,000 houses—mostly citizens who resided in shacks and huts (*callampas, conventillos, rucas chozas,* and so forth). According to the revolutionary rhetoric of the Christian Democrats, 360,000 homes were to be built in six years. In 1965, government projections were close to the actual output; 52,100 houses were built out of the 53,850 planned.[10] In 1966

[10] These figures on housing are quoted from *Punto Final: Documentos* (Santiago, Chile, No. 41, Nov. 7, 1967), p. 12.

only one-half the projected total was reached. In 1967, it is estimated that only 22,000 of the estimated 59,000 houses were built. Much more serious, however, is the fact that the program of building low-income housing has been a greater failure than is shown by the aggregate figures. In 1965, 22,000 low-income houses were built out of 31,000 projected; in 1966 only 8,500 were built out of 40,000 projected. The estimate for 1967 is that only about one-eighth of the low-income houses planned were achieved. On the other hand, private builders, who construct mainly middle- and upper-income homes, built 15,000 homes in 1965 and 1966, and an estimated 12,000 in 1967. Housing loans continue to flow to the more affluent strata of society. Public-housing construction declined from 36,000 in 1965 to approximately 10,000 in 1967. Given a population growth-rate of 2.5 percent per year, the housing program of the Frei government is hardly holding its own.

In the agricultural sector, average real income increased in 1965 and 1966, while overall production barely kept up with population growth. Food crops declined, and very little was done in the way of redistributing the land. Industrial crops and corn showed a per-capita production growth, but key staple foods like wheat, rice, beans, potatoes, beef, and milk showed a decline. Wheat imports doubled from 1961 (300,000 tons) to 1966 (600,000 tons). Milk imports jumped from 150 million liters in 1960 to 400 million liters in 1966. The overall growth rate of 2 percent for the primary sector (agriculture, forestry, hunting, fishing) did not keep up with population growth (2.5 percent). In summary, Frei has done little to solve Chile's agricultural production crises.

The same negative result appears regarding land redistribution. In 1962 Law 15–020 authorized the state to expropriate poorly developed and abandoned farmlands. Up to the end of 1964, hardly any expropriations occurred. Corporación de la Reforma Agrária (CORA) paid cash for a few *fundos*, which were distributed to new owners. Because of the expense and CORA's lack of funds, redistribution was minimal. Poorly worked or abandoned lands were not made productive.

Christian-Democratic campaign promises called for agrarian reform that would result in massive land redistribution as a step toward development of the agricultural sector. An agrarian reform bill was submitted to Congress at the beginning of 1965 that was not passed for two-and-a half years. This law enabled the state to expropriate abandoned or poorly developed land, as well as all land belonging to a single owner in excess of the maximum established by the law (80 hectares of land in the central valley, or the equivalent).[11] Beyond Llanquihue the agrarian reform does not apply. Thus, one company, Sociedad Explotadora de Tierra del Fuego, which owns 1,086,000 hectares, and ten other corporations owning 500,000 hectares, are exempted. The profitable vineyards of southern Chile are also exempted from the reform. The number of hectares of land expropriated increased during 1965–1966, but declined in the first half of 1967, owing to difficulties encountered by CORA in taking possession of the farms expropriated. Out of a total of 468 properties expropriated, lands have been redistributed and farming plans initiated for only 148; of the remainder, about 200 currently present legal problems, since their owners refuse to accept the amount of indemnification offered by CORA to compensate for on-farm improvements (tenant housing, warehouse, silos, and so forth). Approximately 120 farms whose owners consider the expropriation unjustified are also the subject of litigation.[12]

[11] The new agrarian-reform law stipulates a new system of indemnification for expropriated lands. Cash payments range from 1% of total value for abandoned lands, to 5% for poorly developed farms, to a maximum of 10% for those expropriated because of excess area, strategic location in agrarian reform zones, and so forth. CORA is authorized to issue three types of bonds with different amortization terms (5, 25 and 30 years) in order to pay the balance. Bonds are readjustable, up to 70%, in accordance with variations in the consumer-price index of the *Dirección de Estadística y Censos*, and earn interest at the rate of 3% per annum. As to indemnification for on-farm capital improvements, the law provides preferential treatment only for those carried out after November 1964, stating that they will be liquidated in cash.

[12] The provisions of the new law simplify the solution to this type of problem by authorizing CORA to take possession of the expropriated lands merely by depositing 1% of their value with the respective court. CORA operated from 1965 to 1967 under the provisions of the 1962 law.

CORA's activities have affected 10 percent of the total irrigated area of the country and 4.5 percent of all unirrigated land. However, 10.6 percent of the irrigated land and 29 percent of the unirrigated land was owned by decentralized state institutions, primarily the Servício Nacional de Salúd.

The purpose of agrarian reform is to set up family farms.[13] The program's goals are stated in terms of the number of families settled on the lands expropriated by CORA. During the election campaign and shortly thereafter, the government called for the settlement of 100,000 rural families during the 1965–1970 period. This was less than one-third of the 350,000 landless families in Chilean agriculture. The Frei government soon began to retract from its original goal. In his statement to the CIAP subcommittee in October 1966, the Minister of Finance reduced the target for 1965–1970 to a minimum goal of 40,000 families or a maximum of 60,000. In order to settle 40,000 families, assuming 10 hectares of irrigated land or the equivalent in unirrigated land (40 hectares)[14] per family, approximately 400,000 hectares of irrigated or 600,000 of unirrigated land are required, representing between 15 and 24 percent of all arable land in the country.

In 1965–1966 CORA settled 4,000 families on a total of 89 farms, approximately one-half of whom were already residing on lands transferred by the Servício Nacional de Salúd (especially in the Choapá Valley). In 1967, CORA estimated that 7,500 families would be settled, but only 712 families were settled in the first six months of 1967. The CIAP Report estimated that CORA would probably not settle more than 4,000 families in 1967. At this rate, 8,000 families in three years, the Frei government will be lucky to settle half of its revised goal of 40,000 families in six years.

The cost of meeting the goals of the agrarian-reform pro-

[13] Article 65 of the law reads: "The lands acquired by CORA will be divided into family farming units . . . and will be assigned to rural workers as private property."

[14] This conversion is based on an approximate average taken from the table of equivalencies for various types of lands contained in Article 170 of the new law.

gram is a major problem for the Frei government. The calculations estimate the cost of settling a family at approximately 60,000 escudos (at 1965 prices). Of this figure, one-third represents the amount paid for the land and improvements; another third is allocated to cover costs of infrastructure works and subdivision studies, installation costs, and start-up of the family units; and the remaining third is working capital (15,000 escudos) and circulating capital (5,000 escudos). The cost of the agrarian reform program for 55,000 families from 1967 to 1970 would amount to almost 1.45 billion escudos at 1967 prices. This figure may be low, since it assumes a recovery of 80 percent on loans designed to cover the working-capital needs of the new owners. Figures on recovery of loans granted to settlements formed by Law 15–020 show a level of 25 percent. Because of other commitments, the Frei government is quite unlikely to invest all of its public-investment funds in agrarian reform. As a result, very few families will receive land in the next few years.

Despite the enormous attention that Christian-Democratic ideology has given to agrarian reform in the sense of distributing the land to the peasants, the Frei government's actual policy has been directed toward encouraging more private investment by current owners. The index of imported tractors and farm machinery has jumped from 28 in 1964 to 82 in 1966. Increases in herd-formation and trees planted in orchards also suggest that Frei's real program is less redistributive and more oriented toward providing incentives to the big landowners to increase production. This means that "agrarian reform" comes down to increased wage and fringe benefits for the peasants—not land.

Though the program of redistributing land has been a failure, important changes are taking place in the countryside. Under the leadership of Jacques Chonchol and the left wing of the PDC, thousands of peasants have been organized and are beginning to press for higher wages and better living conditions. While the peasant unions have avoided taking direct action to realize the agrarian reform promised by the

government, they are in a much better organizational position to do so now than they were three years ago. (In November 1968 Chonchol resigned from the government. Frei's unwillingness to support agrarian reform and the increasing difficulties that resulted finally caused Chonchol to seek other political means to implement agrarian reform. See the *New York Times*, November 14, 1968, p. 20.)

As we have seen, many of Chile's problems are similar to those faced by the rest of Latin America. The reason Chile has been able to avoid the disastrous political consequences that have befallen the other Latin republics is due to the strength and viability of her political institutions.

The Chilean ruling class's combined resources, force and ideological persuasion—and their intelligent application—have rendered the opposition inoffensive. While fostering the economic exploitation of the vast majority of the Chilean population, the ruling class has provided avenues for ascent for the more resourceful individuals of the disadvantaged groups. Though it professes universalistic values—Christian brotherhood and freedom—the elite has not been taken in by its own rhetoric to the point of giving up any of its strategic positions or material goods. While brutalizing the lower class through disregard of its basic health and nutritional needs, the elite has effectively socialized the middle-class leaders of insurgent groups so that they accept the norms of civility and the civic virtues of reciprocity, negotiation, compromise, and moderation. The close relationship between the elite and the political institutions has undermined attempts by reform groups to utilize these institutions for social experimentation and economic innovation. At the same time, the democratic facade has served to ease social tensions by delaying or limiting the demands that deprived groups make on the system. By limiting political change to the arena of elections, by limiting the size of the electorate, by screening out dissidents, by placing procedural obstacles to the effective mobilization of potential discontented forces, and by limiting political struggle to closely supervised parties in the parliamentary arena, the

elite has successfully blocked basic social and economic changes.

Nevertheless, problems that over the years have been avoided or have been turned aside by elite maneuvers have now come to the fore. Though there still appears to be some room for adjustment and some opportunity to cut costs, these are now means of making the best of a strategic retreat. The landowners, bankers, and businessmen are on the defensive. No longer do they exude the confidence and arrogance of the past. Though the articulate spokesmen of the ruling class (for example, the daily newspaper *El Mercúrio*), still find an echo in the person of the President, Frei himself has less and less influence over congress and even his own party. Barring sudden change induced by a US-supported military take-over, the steady yet persistent growth of support for basic social changes will continue. This means that there will be increasing legislation limiting the powers, resources, and prerogatives of the rich, including the foreign rich. In some cases outright expropriation will occur. In others increasing state control will be instituted. The state will become even more of a factor in directing Chilean social and economic life. In the foreseeable future it seems that the reformist wing of the Christian-Democratic party will play a much more important role in government policy-making. Government agencies will become increasingly involved in the affairs of both urban and rural life. More resources will be devoted to urban and rural planning. If, as is quite possible in the not-too-distant future, the dynamic development that is projected fails to materialize, there is a distinct possibility that a new government will be formed. This will likely be a restructured Left, including Christian Democrats and Marxist Socialists and Communists. In the short run the FRAP parties, the PDC, and the Radicals will continue coalescing and dividing, bargaining and negotiating, over issues, elections, and government offices. In the long run a more definitive realignment of major political forces is probable. The upper class and many middle-class individuals profoundly reject the idea of a strong collectivist

government with a populist orientation. Whatever national sentiments they hold, these strata of Chilean society would not be adverse to collaborating with the United States in overthrowing a popularly elected socialist government. Even today, apart from some real disagreement, these groups are the warmest supporters of closer collaboration with the US government in order to avoid basic changes in power, wealth, and status. The heavy involvement of US firms in the key Chilean copper-mining industry will probably lead to conflicts between a national-popular government and the United States. What types of pressure the government of the United States will resort to in order to oppose the measures taken to promote economic and social development will influence the attitude that Chilean leaders take toward international political alignments.

APPENDIXES

I. METHODOLOGICAL APPENDIX TO CHAPTER 2

This is a secondary analysis of data collected by Professor Dale Johnson during 1964 and 1965. Johnson proceeded in the following manner. A sample of manufacturing firms, stratified according to size and type of industry, was drawn from the Industrial Census of 1957, and one-and-one half or two-hour interviews were solicited with each of the general managers of the firms selected. The total number in the sample used in my study was 73, those who were interviewed using Form A in Johnson's survey. Apparently Johnson used two interview schedules, which covered 138 industrialists, with similar questions. These findings, therefore, are tentative and exploratory.

Quoting from Johnson's introduction: "Almost all of the interviews took place in the Santiago offices of the firms' management. Industries with offices and plants in the Concepción area could not be interviewed. Valparaíso based firms are also under-represented. (At least 80 percent of the medium and larger firms, however, are located in the Greater Santiago area. The offices of the general management of a number of the largest firms with plants located in Concepción or Valparaíso are in Santiago and were interviewed.) Two partially distinct interview schedules were utilized. Form A of the schedule includes 144 items, 65 of which are reproduced in Form B, a second version that contains a total of 119 items."

Throughout Johnson's and my studies we use the term "industrialists and entrepreneurs" to refer to the general managers of firms, who were the actual persons interviewed. For a discussion of the complex differentiation in regard to "entrepreneurial" function, see Johnson's chapter, "Industrialist Roles, Role Conceptions and Role Performances," in "Industry and Industrialists in Chile" (Stanford University: Unpublished PhD dissertation 1967).

II. METHODOLOGICAL APPENDIX TO CHAPTER 8

Selection of the Units

The universe of public employees investigated in this study is delimited by the following criteria:

(1) Functionaries who work in public, semi-public, or autonomous institutions.
(2) The institutions' offices are in Santiago.
(3) The functionaries work in the Santiago office.
(4) The functionaries are contributors to the Public Employees' and Journalists' Social Security Fund or to the Railroad Security Fund.
(5) Journalists are not included in the sample.

Sampling Procedure

The sample size was arbitrarily determined as 1 percent, selecting 652 employees, from a universe of approximately 68,000 functionaries. The selection was made by institution. Institutions employing at least 50 persons were represented, including all the ministries. Within each institution, systematic random selection was used. Random selection was made among the first hundred persons who signed for payment between April-August of 1965. This was followed by randomly selecting another individual from the second hundred. This system was used successively, producing the total number of perons in each institution represented in the sample.

The percentage unavoidably lost was approximately 12 percent of the original sample, which was distributed over a number of ministries and hence does not seem to have biased the sample.

This survey was conducted with Eduardo Hamuy and his associates at the Center of Socioeconomic Studies in Santiago, Chile. The interviews and the coding and processing of the data were done by the Center. The study was designed to study attitudes of the public employees toward a reform of the work day (*jornada única*, or single work day). My main interest and involvement was in designing questions relevant to this study.

BREAKDOWN BY MINISTRY
(Universe, Sample, Actual Interviews)

Ministry	Total Universe	Sample	Actually Interviewed
Land and Colonization	163	2	2
Foreign Relations	435	5	1
Justice	1,775	17	15
Agriculture	882	10	10
Public Works	2,148	23	20
Interior	4,622	47	43
Labor	3,168	34	33
Economy	5,446	63	50
Finance	3,302	33	33
Mining	227	2	2
Health	19,468	173	153
Education	26,477	243	213
TOTAL	68,113	652	575

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Politics and Social Forces in Chilean Development

JAMES PETRAS

Chile, while suffering from many of the same social and economic problems that afflict other Latin American countries, has enjoyed remarkable political stability. With the exception of one brief interlude, Chile has been governed by elected rulers for half a century.

The feature of Chilean development that explains its exceptional nature in contrast to the rest of Latin America is the special role of the bureaucracy, which functions as a broker for the conflicting demands of both the new and the traditional groups. Yet a strong dichotomy is evident between the entrepreneurial and bureaucratic elites, which have benefited and participated in the dominant society, and the peasantry, which has been largely exploited and excluded from the polity.

Mr. Petras finds that the attempts to develop a dynamic industrial society in Chile have so far failed. Chronic problems of slow economic growth and a rigid social system have been managed through a delicate system of political balances involving established parties and interest groups. While this arrangement has contributed to Chile's stability, it has also served to delay the entry of the peasantry and urban lower class into the polity, and as these groups do enter